



Daily Report

East Asia

FBI-EAS-89-019

Tuesday

21 January 1989

Daily Report

East Asia

FBIS-EAS-89-019

CONTENTS

31 January 1989

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Takeshita's Week-Long U.S. Trip Previewed	1
Rapport With Bush Sought [KYODO]	1
Strengthening Ties on Agenda [KYODO]	1
Leaves for U.S. Visit [KYODO]	2
U.S. Official's Remarks Termed 'Intervention' [KYODO]	2
GSDF, U.S. Marines Begin Military Exercise [KYODO]	3
Pentagon Team To Survey Military Technology [KYODO]	3
Misawa SDI Facility Construction Opposed [KYODO]	3
Auto Industry Reacts to 'Dumping' Charges [KYODO]	3
U.S. Rice Policy Said Unlikely To Change [KYODO]	4
Sumita Comments on U.S. Trade Deficit [KYODO]	4
MITI Head To Seek Stronger Ties With EC [KYODO]	4
USSR Atomic Power Commission Seeks Aid [KYODO]	5
ROK Offers To Curb Knitwear Exports [KYODO]	5
South Korea's Kim Yong-sam Begins 4-Day Visit [KYODO]	5
Meets With JSP's Ishibashi [KYODO]	6
Meets Uno, Takeshita [KYODO]	6
Uno Seeks Partnership With Australia [KYODO]	6
Stronger Sanctions Against RSA Urged [KYODO]	7
'Cultural Economic State' Goal of LDP [KYODO]	7
Diet Leaders Allegedly Received Recruit Funds [KYODO]	8
Leader Defends Support [KYODO]	8

North Korea

Crash of U.S. F-16 off South Coast Noted [KCNA]	8
U.S. Remarks on Troop Strength Denounced [KCNA]	8
Kim Chang-yong Sends Message to Red Cross [KCNA]	9
Paper Denies North-South Trade 'Propaganda' [Pyongyang Radio]	9
No's Preemptive 'Suppressive Order' Denounced [KCNA]	11
SKNDF Denounces Suppression of Publishers [KCNA]	11
DJP Plan To End Kwangju Panel Denounced [KCNA]	11
Chonmizayon Demands Punishment of Chon Couple [KCNA]	12
Reverence for Kim Chong-il Said Growing in South [KCNA]	12
Memorial Service for Southern Martyr Held [KCNA]	12
Vice Premier Meets Soviet Planning Delegation [KCNA]	13
Delegation Head Hails Festival Preparations [KCNA]	13
'Revolutionary Self-Cultivation' Praised [KCNA]	13
Roundtable Praises Kim Il-song's Proposal [VNS Radio]	14
SKNDF Statement Alleges Labor Suppression [VNS Radio]	16
VNS Urges Struggle for Workers Rights	17
VNS Promotes Struggle for Reunification	19
Correction to Labor Experience in South	21

South Korea

Radical Students Attack U.S. Office in Kwangju [YONHAP]	21
---	----

Full Inspection of APO Parcels Expected [YONHAP]	22
Trawlers Make 'False Reports' Before Seizure [THE KOREA HERALD 31 Jan]	22
Return of Boats Urged [THE KOREA HERALD 31 Jan]	23
Red Cross Seeks Fishermen Release [YONHAP]	23
Paek Ki-wan Interviewed on Unification Issue [ILYO SINMUN 15 Jan]	24
North Minister Comments on Joint Ventures [THE KOREA TIMES 29 Jan]	26
Caution Against Indiscreet Competition in Trade [THE KOREA TIMES 31 Jan]	26
North To Send Invitations to Political Leaders [THE KOREA TIMES 29 Jan]	27
Companies To Begin Direct Imports of North's Goods [YONHAP]	28
North Korean Trade Volume Increases in 1987 [THE KOREA HERALD 29 Jan]	28
Hyundai To Trade Sweaters for Fish With North [YONHAP]	28
North Pharmacognosists To Be Invited to Seminar [THE KOREA TIMES 25 Jan]	29
No Urges More North-South Cultural Exchanges [THE KOREA TIMES 25 Jan]	29
Artists To Invite North Counterparts to Congress [THE KOREA TIMES 28 Jan]	29
Vietnamese Ships Seek To Transport Cargo [THE KOREA TIMES 31 Jan]	30
Reportage on Visit of Australia's Hawke	30
Prime Minister Arrives [YONHAP]	30
No Tae-u, Hawke Meet [YONHAP]	30
Agree To Form Regional Economic Body [YONHAP]	31
No Tae-u Hosts Dinner for Hawke [YONHAP]	31
Hawke Says No Ties With North Planned [YONHAP]	32
Economic Talks With Australians [YONHAP]	32
Soviet Union Delivers Jet Fighters to North [THE KOREA HERALD 31 Jan]	32
Further on Soviet Joint Venture With Hyundai [YONHAP]	33
Shipbuilding Industry Plans Contracts With USSR [YONHAP]	33
DJP Chairman Receives Invitation From USSR [YONHAP]	33
Full Diplomatic Ties With Hungary Established [THE KOREA TIMES 31 Jan]	34
Hungary To Reciprocate Favored Nation Status [Budapest MTI]	34
Economic Joint Committee With Hungary Meets [THE KOREA TIMES 31 Jan]	35
Sales Volume Increases [YONHAP]	35
Filmmakers Consider Coproduction With China, Japan [THE KOREA HERALD 28 Jan]	35
Takeshita Pledges To Help Koreans in Japan [THE KOREA TIMES 31 Jan]	37
Prosecution Ends 5th Republic Probe [YONHAP]	37
Income of Urban Residents Increase in Jul-Sep [YONHAP]	37
Labor Ministry Seeks New Business Regulations [THE KOREA TIMES 25 Jan]	38
Correction to Soviet Spy Ship in Korea Strait	38

SOUTHEAST ASIA

Burma

Press Officers Hold 24th News Conference [Rangoon Radio]	39
Two 'United Students Front' Members Released [Rangoon Radio]	40
Two More Detainees Released [Rangoon Radio]	40
Three Student Activists Freed [Rangoon Radio]	40
Bo Yan Naing of 'Thirty Comrades' Dies [AFP]	40

Brunei, Malaysia & Singapore

Malaysia

MP Exchange Visits With Singapore Planned [Kuala Lumpur International]	40
Goh Chok Tong Ends Visit [Kuala Lumpur TV]	41
Former Vice Premier Musa Hitam Rejoins UMNO [Kuala Lumpur International]	41

Cambodia

Gandhi on Prospects for Cambodian Settlement [SPK]	41
KPRP Order on SRV Pact, Party Fetes [Phnom Penh Radio]	41
Thai Parliamentary Delegation Ends Visit [Phnom Penh Radio]	43
Sihanouk Comments on Phnom Penh Regime [Paris LE MONDE 29-30 Jan]	43

Sihanouk Issues Statement in Beijing [Radio VODK]	43
VONADK Cites Sihanouk Statement	44
Sihanouk Demands for Cambodian Solution [Radio VOK]	45

Indonesia

India's Natwar Singh Arrives in Jakarta [Jakarta Radio]	46
Meets With Suharto [Jakarta Radio]	46
Conveys Gandhi's Message [ANTARA]	46
February Price of Japan-Bound Oil Raised [THE JAKARTA POST 23 Jan]	47
Government Not To Reschedule Debt Repayment [ANTARA]	47

Laos

Education Delegation Departs for United States [KPL]	47
Results of Hun Sen's Bangkok Visit Praised [Vientiane Radio]	48

Philippines

700 Students Demonstrate at U.S. Embassy [AFP]	48
Panel Interviews USSR Ambassador on Ties [Quezon City TV]	49
New Export Products Agreed in PRC Trade Talks [BUSINESS STAR 31 Jan]	55
Detained Filipinos Claim Malaysian Maltreatment [Manila Radio]	56
Australia To Fund Development Projects [MANILA BULLETIN 28 Jan]	56
Cooperation Agreements Signed With Micronesia [BUSINESS WORLD 31 Jan]	57
Multinational Aid Plan Linked to IMF Loan [MANILA BULLETIN 31 Jan]	57
Negotiators To Stress Growth in IMF Talks [THE MANILA CHRONICLE 31 Jan]	58
Aquino Orders Tourism, Business Rules Relaxed [Manila Radio]	58
Congress Facing 'Crisis of Confidence' [THE MANILA CHRONICLE 31 Jan]	59
U.S. Pressure Said To Influence Mindanao Bill [Manila Radio]	60

Thailand

Chatchai Briefs Press on Visit, Other Issues [BANGKOK POST 31 Jan]	60
Hun Sen's Departing Remarks Reported [SPK]	61
Comments on Cooperation [Vientiane Radio]	62
Chatchai Adviser Assesses Visit [SIAM RAT 30 Jan]	62
Plan To Buy PRC Fighters, Weapons Reported [LAK THAI 12 Jan]	63
China, USSR Negotiate Rice Purchases [THE NATION 31 Jan]	64
PRC Defense Ministry To Aid in Well Digging [BANGKOK POST 25 Jan]	64
Thatchai Assigned National Security Tasks [NAEO NA 15 Jan]	64
Government Favors Indochinese Bilateral Trade [THE NATION 31 Jan]	64
SRV Refugees Form 'Secret Organization' [THE NATION 29 Jan]	66

Vietnam

Report on UN Ambassador Visit to Washington [VNA]	66
Results of Hun Sen's Visit Reported [VNA]	66
'Full Text' of Joint Statement Issued [VNA]	67
Nguyen Van Linh Receives French Minister [VNA]	68
JRV-China Friendship Association Meets [VNA]	68
Thai Delegation Visit to PRK Noted [Hanoi International]	69
Indochinese Mekong Committee Meeting Reported [VNA]	69
Ceremony Marks Opening of Palestinian Embassy [VNA]	69
GDR's Karl Marx School Delegation Pays Visit [VNA]	69
Do Muoi Visits Vung Tau-Con Dao, Phu Khanh [Hanoi Radio]	69
Ho Chi Minh City Party Committee Meets [Hanoi Radio]	70
Telecommunication Project Agreement Signed [VNA]	71
Dong Sy Nguyen Inspects Work at Power Plant [Hanoi Radio]	71
Necessary Efforts To Improve Militancy Noted [QUAN DOI NHAN DAN 22 Dec]	71

AUSTRALASIA

Australia

Prime Minister Hawke Departs on Asian Tour *[Melbourne International]* 73

New Caledonia

French Minister Calls for Equal Justice *[AFP]* 73

Vanuatu

Fred Timakata Sworn In as New President *[Melbourne International]* 73

Japan

Takeshita's Week-Long U.S. Trip Previewed

Rapport With Bush Sought

OW3001124889 Tokyo KYODO in English 1005 GMT
30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—Prime Minister Noboru Takeshita, seeking to establish a personal rapport with President George Bush, leaves for the United States Tuesday for talks with the new President and congressional leaders.

Japanese Government officials insist there is no specific issue on the agenda, but in Washington there are rumblings about the "Japan problem," which includes issues ranging from the level of Japan's defense spendings to its trade posture.

"We understand that the sea is not calm," one senior Foreign Ministry official said.

The comment followed reports from Washington that Carla Hills, the U.S. trade representative-designate, told a Senate hearing over the weekend that she opposes a broad trade agreement with Japan and an early lifting of sanctions in a semiconductor dispute.

John Tower, the defense secretary-designate, also typified discontent in Washington, by declaring during another congressional hearing last week that he thinks Japan should spend more on defense.

Tokyo, however, has maintained official calm in the face of what it regards as "dissonant noises" from Washington.

The Takeshita visit "is not meant to resolve any specific issues," one senior Foreign Ministry official said on the eve of his departure.

The emphasis of the trip, Foreign Ministry officials say, lies in setting the tone of personal ties between Takeshita and Bush.

The Foreign Ministry believes that it is important for the two leaders to share their thoughts not only on bilateral ties but also on their perceptions on the world.

Takeshita, the first leader to call on Bush since his inauguration on January 20, will have a three-hour meeting over lunch with his host at the White House on Thursday.

Japanese Foreign Ministry officials say they hope the two leaders will hit it off well, noting that the two men are "pragmatic and businesslike" types.

Takeshita, who came to office in November 1987, says his trip is aimed at establishing a personal rapport with Bush for overall management of bilateral ties.

The Takeshita-Bush meeting will be preceded by a separate session between Foreign Minister Sosuke Uno, who will be travelling with Takeshita, and Secretary of State-designate James Baker.

Takeshita will be accompanied on his trip by his wife, Naoko, who has been invited to the White House for a talk with First Lady Barbara Bush.

Takeshita will also meet with congressional leaders during his 48-hour stay in Washington.

He will call on U.N. Secretary General Javier Perez de Cuellar in New York on Wednesday, his first stop in the eight-day U.S. visit following a stopover in Anchorage.

Takeshita will also pay a courtesy call on former U.S. President Ronald Reagan in Los Angeles before heading for home on Monday next week.

Strengthening Ties on Agenda

OW3101045189 Tokyo KYODO in English 0433 GMT
31 Jan 89

[Text] Tokyo, Jan. 31 KYODO—Prime Minister Noboru Takeshita said Tuesday he hopes in his meeting with U.S. President George Bush in Washington on Thursday to have frank discussions on a wide range of international problems from a global point of view.

Takeshita told a 1-day convention of his ruling Liberal Democratic Party (LDP) he wants to establish a personal relationship of trust with Bush and to enhance cooperative ties between Japan and the United States.

In a meeting with United Nations Secretary General Javier Perez de Cuellar in New York on Wednesday, Takeshita said he will propose substantive actions by Japan to help the world body's peace efforts.

Looking back over the period since he took office in November 1987, the prime minister said he has promoted active summit diplomacy through 9 rounds of overseas trips totaling 59 days.

Takeshita reaffirmed that he will continue to promote what he terms an "international cooperation initiative," which calls for extending more help for the UN in its conciliation and peacekeeping efforts, strengthening cultural exchanges, and also expanding Japan's program of official development assistance (ODA).

He welcomed the dialogue between the two superpowers, moves toward rapprochement between the Soviet Union and China, and international efforts to bring an end to regional armed conflicts.

Japan will commit itself to contributing more to global environmental protection and continue to perform a role of helping achieve global peace and prosperity, the prime minister said.

Takeshita attended the 3-hour party convention hours before embarking on an 8-day visit to the U.S.

Turning to domestic affairs, Takeshita renewed his pledge to tackle political reform and his "furusato (home)" national development and decentralization plan.

Takeshita, who is also president of the LDP, acknowledged that his government is under public criticism regarding politicians' ethics in the wake of the Recruit stock trading scandal.

Takeshita said he is firmly resolved promote political reform efforts and also tighten discipline among government officials so as to regain popular trust in politicians and in the administration.

The prime minister said two panels in the LDP and the Government have begun to study political reform themes covering a revision of the election system, tighter controls on political funds, and a higher standard of political ethics.

He said Japan's economy is on an expansionary course, backed by firm domestic demand, bullish corporate profits, and a stable employment situation.

Takeshita said Japan will continue coordination economic policies among major advanced democracies and aim at achieving sustained growth without inflation.

Leaves for U.S. Visit

OW3101103789 Tokyo KYODO in English 1018 GMT
31 Jan 89

[Text] Tokyo, Jan. 31 KYODO—Prime Minister Noboru Takeshita left for the United States on Tuesday for a week-long "working visit" aimed at establishing a personal rapport with President George Bush.

A special Japan Air Lines flight carrying Takeshita and the officials and journalists accompanying him left Tokyo's Haneda Airport at 7:10 p.m. bound for New York, the first stop on a three-city tour.

Takeshita's itinerary begins with a meeting with U.N. Secretary General Javier Perez de Cuellar in New York on Wednesday.

He told a convention of the ruling Liberal Democratic Party earlier Tuesday that he will outline to Perez de Cuellar specific proposals on ways for Japan to extend "cooperation for peace" in assisting the world body's efforts.

The centerpiece of the Takeshita trip will be a three-hour meeting with Bush at the White House on Thursday.

Takeshita said the purpose of the meeting is to "establish a relationship of trust between the top leaders" of the two countries.

He said he plans to exchange views with Bush "without reservation" for the sake building up global cooperative ties between the two countries.

The Takeshita-Bush meeting will be preceded by a separate session between Foreign Minister Sosuke Uno, who is traveling with Takeshita, and U.S. Secretary of State-designate James Baker.

Before leaving Washington, Takeshita will present Japan's Grand Cordon of the Order of the Rising Sun, with Paulownia Flowers, to former U.S. Ambassador to Japan Mike Mansfield in recognition of his long years of service in promoting relations between the two countries.

Takeshita will also pay a courtesy call on former President Ronald Reagan in Los Angeles next Monday before returning home.

U.S. Official's Remarks Termed 'Intervention'
OW3001130789 Tokyo KYODO in English 1022 GMT
30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—The Japan Socialist Party asked the government on Monday to make the U.S. fully understand that Japan's defense buildup efforts are subject to constitutional restraints, JSP officials said.

JSP Secretary General Tsuruo Yamaguchi filed the request with Chief Cabinet Secretary Keizo Obuchi on the eve of Prime Minister Noboru Takeshita's departure for a visit to the U.S.

Yamaguchi told Obuchi that U.S. Defense Secretary-designate John Tower's call for more Japanese defense spending represents an intervention in Japan's internal affairs.

Obuchi replied that the government will state its position after scrutinizing Tower's testimony.

Tower, in a statement at his confirmation hearing by the Senate Armed Services Committee last week, said the U.S. alliances in the Asia-Pacific region are key elements of American security.

"I don't believe that (the Japanese) Constitution is so constraining that they (the Japanese) couldn't devote a substantially larger percentage of their gross national product to defense," Tower said.

Defense Agency Director General Kichiro Tazawa said last Friday that he regrets Tower's remarks and that Japan will maintain a nonoffensive defense policy and continue steady defense buildup efforts.

GSDF, U.S. Marines Begin Military Exercise
OW2701121189 Tokyo KYODO in English 0947 GMT 27 Jan 89

[Text] Aomori, Jan. 27 KYODO—Japan's Ground Self-Defense Force (GSDF) and U.S. Marines stationed in Okinawa Friday launched a 14-day cold region exercise in snow at GSDF's Hirosaki Post using laser beams to determine the extent of damage caused by artillery fire.

Some 180 GSDF men from the Hirosaki garrison and about 160 U.S. Marines from Okinawa are participating in the drill, the fifth of the kind held.

After two days of basic drill on skis, the two sides will conduct artillery firing and assess the damage with the new laser beam device.

It is the first time that the device is being used in the joint cold region drill.

Pentagon Team To Survey Military Technology
OW2701125989 Tokyo KYODO in English 1039 GMT 27 Jan 89

[Text] Tokyo, Jan. 27 KYODO—A Pentagon team of researchers will visit Japan from January 30 to February 13 to examine advanced militarily applicable technologies, the Defense Agency said Friday.

The nine-member "technology assessment team" will visit Japanese industrial plants to observe sophisticated production techniques as part of a preliminary survey relating to future bilateral exchanges in the defense field.

The two countries are currently studying the feasibility of undertaking several joint projects.

The first collaborative effort to be acted upon to date, the joint development of Japan's next generation support fighter, has drawn criticism from congressional quarters over alleged monopolization of the work by Japanese companies.

Last week the Japanese Government earmarked 92,068 million yen for research and development in fiscal 1989, an almost 9 percent increase over the outlay for the current fiscal year.

Misawa SDI Facility Construction Opposed
OW3001181589 Tokyo KYODO in English 1405 GMT 30 Jan 89

[Text] Aomori, Jan. 30 KYODO—Six local groups on Monday urged the U.S. military and Misawa City officials to scrap a plan to construct an observatory at the U.S. military base in Misawa that would be used for the controversial Strategic Defense Initiative (SDI).

Six groups including the Aomori chapter of the Japan Socialist Party, asked Col. John Rover, commander of Misawa Base, and Misawa Mayor Shigeyoshi Suzuki to help stop the construction project.

Group leaders said they will make the same request to U.S. President George Bush, Kichiro Tazawa, general director of the Japanese Defense Agency, and Masaya Kitamura, governor of Aomori Prefecture.

The groups also asked for the removal of F-16 fighter aircraft from the base and the cancellation of a plan to build a port for the U.S. military vessels on the Pacific coast East of the base.

The JSP and others have expressed concern about the base being fortified, saying that it goes against the international trend of disarmament. It also increases danger of the region becoming involved in nuclear warfare, they added.

Auto Industry Reacts to 'Dumping' Charges
OW2701093989 Tokyo KYODO in English 0810 GMT 27 Jan 89

[Text] Tokyo, Jan. 27 KYODO - Japan's Auto industry on Friday reacted calmly to the U.S. Commerce Department's finding the previous day that Japanese companies were guilty of dumping all-terrain vehicles (ATVs) on the U.S. market.

The International Trade Commission (ITC) now has 45 days to decide if the Japanese imports are injuring or threaten to damage the U.S. industry.

Honda Motor Co. said it believes the ITC will clear Japanese companies of the charge in its final determination expected in March.

Honda, the world's largest motorcycle maker, described the Commerce Department's finding as "unreasonable" since U.S. firms have been selling only several thousand all-terrain vehicles over the past few years.

It said Japanese companies have an overwhelming share of U.S. annual sales which have reached some 200,000 units since Japanese carmakers started exporting such vehicles to the U.S. in 1970s.

The Japanese auto industry will monitor developments for the time being, it said.

Honda is one of four major Japanese automakers charged by the Commerce Department with selling ATVS at less than fair market value.

The other three companies are Yamaha Motor Co., Suzuki Motor Co. and Kawasaki Heavy Industries Ltd.

It said weighted-average dumping margins—differences between home and U.S. market prices—are 35.43 percent for Kawasaki, 32.89 percent for Honda, 14.12 percent for Suzuki and 8.47 percent for Yamaha.

U.S. Rice Policy Said Unlikely To Change
OW3001132289 Tokyo KYODO in English 0923 GMT
30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—The U.S. is unlikely to change significantly its policy toward the opening of Japan's rice markets to foreign imports in the Bush administration, a senior Japanese Government official said Monday.

Yasuo Gotoh, vice-minister of agriculture, forestry and fisheries, said at a press conference that he based his views on comments made by Carla Hills, the designated U.S. trade representative, in testimony given last week before Congress.

The former representative, Clayton Yeutter, last year rejected a proposal by the Texas-based Rice Millers Association alleging that Japan was unfairly restricting foreign imports of rice. At the time, Yeutter recommended that the sensitive issue be brought before the Uruguay round of the General Agreement on Tariffs and Trade (GATT).

In last week's testimony, Hills said her approach to the liberalization of the Japanese rice market would differ very little with that of Yeutter.

Japan originally maintained that rice is inappropriate for negotiation in any format because of its cultural significance, but now says that all talks on the issue should be held in the multilateral GATT forum rather than in bilateral negotiations.

Sumita Comments on U.S. Trade Deficit
OW2501094789 Tokyo KYODO in English 0742 GMT
25 Jan 89

[Text] Tokyo, Jan. 25 KYODO—Bank of Japan Governor Satoishi Sumita on Wednesday expressed concern over mounting inflationary pressures and stressed the need to closely monitor price trends.

Sumita made the remarks at a regular press meeting, saying that the shortage of labor is prevailing nationwide, a development putting upward pressure on wages that could spur inflation.

He said Japan will not follow suit in raising key interest rates following hikes late last week by West European countries.

The top central banker said that although Japan's current economy is healthy, latent inflationary pressures must be watched carefully in order to sustain economic growth.

Japan's corporate leaders are planning to increase capital outlays along with production in anticipation of further economic expansion here, Sumita said.

Pointing to the shortage of labor nationwide, Sumita emphasized the need to secure workers without raising costs.

He said major Japanese firms started to hunt for employees in towns outside the metropolitan area, where the shortage of workers is more acute.

The governor also said Japan's exports are on the rise despite corporate efforts in recent years to shift production bases abroad in a bid to offset the yen's strength.

In order to correct trade imbalances with other nations, Japan will make efforts to promote imports of foreign-made goods by stimulating domestic demand, he said.

Commenting on the larger-than-expected U.S. trade deficit in November, Sumita said he does not consider the U.S. trade picture to be deteriorating.

Touching on the recent tightening of U.S. Monetary policy, Sumita said it is in line with policy coordination among the Group of Seven (G-7) major industrialized nations. On last week's concerted interest rate hikes by European central banks, he said such moves are also part of that policy cooperation.

MTI Head To Seek Stronger Tie With EC
OW3001060889 Tokyo KYODO in English 0532 GMT
30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—International Trade and Industry Minister Hiroshi Mitsuzuka left for a week-long European tour Monday in a bid to strengthen cooperation between Japan and the European Community (EC) and foster personal relations with trade leaders from the EC.

Mitsuzuka told reporters prior to his departure that he will call for broad-ranging cooperation aimed at establishing a new era between Japan and Europe, leading to a balanced trilateral structure made up of the two and the United States.

He said he wants to exchange views with his counterparts on his proposal of "three principles" to achieve this goal.

First, Japan must establish a multi-faceted relationship in the fields of trade, investment, technology and culture, he said.

Second, Japan and EC should expand their economies by offering business opportunities to their enterprises in each other's country as well as through competition and cooperation, he said.

In this context, he expressed his strong hope that the EC market integration planned in 1992 would not be closed to the rest of the world.

Mitsuzuka said his third principle was that bilateral disputes should be resolved through cooperation in which the two entities traced the origin of each dispute and found a solution.

During the tour, his first as trade minister, Mitsuzuka is scheduled to meet West German Economics Minister Helmut Haussman, British Foreign Secretary Geoffrey Howe, British Trade and Industry Secretary Lord Young, French Industry Minister Roger Fauroux, and Belgian Vice Prime Minister Willy Claes.

He will also meet EC Vice Presidents Frans Andriessen and Martin Bangemann.

USSR Atomic Power Commission Seeks Aid
OW2701045089 Tokyo KYODO in English 1141 GMT 26 Jan 89

[Text] Tokyo, Jan. 26 KYODO—The head of the Soviet state committee for the utilization of atomic power announced plans Thursday to shutdown two reactors near earthquake-stricken Armenia and to request Japanese technical cooperation in preventing future earthquake damage to atomic plants.

Aleksandr Protsenko, in Tokyo for an international symposium on atomic energy, told reporters that although the two plants were not damaged in the Armenian quake, making them earthquake resistant was prohibitively costly.

Though the new emphasis on safety and public awareness have raised costs, Protsenko said that Soviet policy still aimed at increasing the production of atomic power.

The Soviet official also confirmed the presence of widespread nuclear contamination resulting from an accident at an atomic weapons facility in the Ural mountains in late 1957.

He added that a report would be released publicly in the near future after the ongoing comprehensive analysis of the accident was completed.

ROK Offers To Curb Knitwear Exports
OW3001155789 Tokyo KYODO in English 1344 GMT 30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—Korean knitwear interests Monday offered to keep the rate of increase in knitwear exports to Japan in 1989 within 10 percent instead of within 15 percent as proposed earlier.

The Korean side made the offer in third-day consultations with Japanese knitwear interests in Tokyo, Japanese sources said.

The sources said while Japanese interests appreciated the new Korean offer, they still rejected it. The Japanese said that a total of 21,145,000 items of Korean knitwear flowed into Japan in the first 11 months of 1988, up 59 percent from the same period of the previous year.

Thus, if the export growth rate is held down to less than 10 percent, the total import figure will still be too large, the Japanese side said.

Furthermore, low-priced Korean knitwear exports to Japan may increase further and deal a heavy blow to minor Japanese knitwear firms, Japanese textiles said.

The Korean interests said they would monitor export prices by themselves, but the Japanese sought Korean Government guarantees for Korean export prices, the sources said.

The Korean and Japanese representatives are due to meet again Tuesday.

South Korea's Kim Yong-sam Begins 4-Day Visit
OW3001040989 Tokyo KYODO in English 0348 GMT 30 Jan 89

[Text] Tokyo, Jan. 30 KYODO—South Korean opposition leader Kim Yong-sam arrived here Monday for a four-day visit to Japan as guest of the largest opposition party, the Japan Socialist Party (JSP).

Kim, president of the No. 2 opposition party, the Reunification Democratic Party, will meet Prime Minister Noboru Takeshita and Foreign Minister Sosuke Uno later in the day.

Kim will hold a meeting with JSP leader Takako Doi on Tuesday and meet senior Liberal Democratic Party officers Shintaro Abe and Masayoshi Ito on Wednesday.

He will leave for home on Thursday.

Meets With JSP's Ishibashi

*OW3001134389 Tokyo KYODO in English 1126 GMT
30 Jan 89*

[Text] Tokyo, Jan. 30 KYODO—Former Japan Socialist Party (JSP) Chairman Masashi Ishibashi on Monday told Kim Yong-sam, president of South Korea's Reunification Democratic Party, that the JSP has helped promote dialogue between the two Koreas by inviting delegations from Pyongyang and Seoul.

The former JSP chairman said his party could serve as an intermediary between North and South Korea and hopefully contribute to promotion of dialogue between the two.

The leader of South Korea's No. 2 opposition party said dialogue between the Koreans will be promoted and that relations with China and the Soviet Union should also improve.

Ishibashi told reporters Kim agreed that Ishibashi's visit to South Korea last October helped pave the way for friendship between the peoples of the divided peninsula.

Meets Uno, Takeshita

*OW3001175189 Tokyo KYODO in English 1229 GMT
30 Jan 89*

[Text] Tokyo, Jan. 30 KYODO—South Korean opposition leader Kim Yong-sam on Monday called for Japanese cooperation in settling a problem concerning the legal status of third-generation South Korean residents in Japan, Foreign Ministry officials said.

Kim, leader of the Reunification Democratic Party, made the request during separate meetings with Prime Minister Noboru Takeshita and Foreign Minister Sosuke Uno, according to the officials.

Kim paid a 15-minute courtesy call on Takeshita at his official residence and asked him to take a greater interest in solving the legal problems of the third-generation South Koreans.

Takeshita said he would deal sensitively with the issue.

Japan and South Korea held their first high-level consultations on the issue last December in accordance with an agreement signed in 1965 when the two countries normalized diplomatic relations.

The agreement granted Koreans in Japan at the end of World War II and their children permanent residency status at their request. It left open, however, the question of treatment of third-generation South Koreans, saying their status would be renegotiated by 1991.

South Korea has called on Japan to give more stable legal status to the third-generation Koreans than their grandparents and parents.

Kim thanked Takeshita for the planned Japanese Government financial assistance for medical treatment of South Korean survivors of the atomic bombings and for Korean residents on Sakhalin who wish to meet their South Korean relatives in Japan.

The Japanese Government allocated 100 million yen in the fiscal 1989 budget, to commence on April 1, for such expenditures.

The South Korean opposition leader was quoted as telling Takeshita that his party attaches great importance to exchanges with the ruling Liberal Democratic Party as well as with the Japanese opposition camp in developing bilateral relations.

Prior to talks with Takeshita, Kim met Uno and said that a recent visit by a delegation from the (North) Korea Workers' Party to Japan was also important to South Korea.

The four-member delegation, headed by Kim Yang-kon, deputy director of the Workers' Party, visited Japan last week at the invitation of the Japan Socialist Party (JSP).

Kim also told Uno that he welcomes moves by the JSP to increase exchanges with both North and South Korea.

Kim arrived in Tokyo on Monday on a four-day visit as the first South Korean politician to be invited by the JSP.

Uno Seeks Partnership With Australia

*OW2701090189 Tokyo KYODO in English 0449 GMT
27 Jan 89*

[Text] Tokyo, Jan. 27 KYODO—Japanese Foreign Minister Sosuke Uno called on Friday for building up what he termed a "constructive partnership" between Japan and Australia to help develop the Asia-Pacific region.

Uno, in a keynote speech at a one-day Japan-Australia cabinet-level consultation, said the Asia-Pacific region is strengthening its influence on international political and economic trends.

Uno proposed that Japan and Australia join hands in helping establish the peace and prosperity of the region, maintain and expand a free and open world economic order and also preserve the global environment.

Four Australian cabinet members were present at the session—Gareth Evans, minister for foreign affairs and trade; John Burton, minister for industry, technology and commerce; Graham Richardson, minister for the arts, sport, the environment, tourism and territories; and Peter Cook, minister for resources.

The Japanese members were Uno, Agriculture, Forestry and Fisheries Minister Tsutomu Hata, International Trade and Industry Minister Hiroshi Mitsuzuka, and Transport Minister Shinji Sato.

Stronger Sanctions Against RSA Urged
OW2801073189 Tokyo KYODO in English 0525 GMT
28 Jan 89

[Text] Tokyo, Jan. 28 KYODO—Antipartheid campaigners Saturday called on Japan and other countries having strong economic ties with South Africa to strengthen their economic sanctions to pressure the segregated state into abandoning its apartheid policy.

The appeal was made at a press conference by a group of seven church leaders under the auspices of the Geneva-based World Council of Churches (WCC).

The group arrived in Tokyo on Friday for a 4-day visit to seek support for imposing stringent international economic sanctions against South Africa.

A group spokesman said Japan was still the largest trading partner for South Africa and added that Japan's actions were always the target of attention worldwide.

While in Tokyo, the group, which includes former Zimbabwe President Rev. Canaan Banana, will meet Japan Socialist Party leader Takako Doi and Foreign Ministry officials.

The group is visiting six countries and the European Community to lobby for the economic isolation of South Africa until it gives up its apartheid policy.

'Cultural Economic State' Goal of LDP
OW2801102489 Tokyo KYODO in English 0642 GMT
28 Jan 89

[Text] Tokyo, Jan. 28 KYODO—The ruling Liberal Democratic Party will dedicate itself to the creation of an affluent "cultural economic state," the party said in its action program for 1989 released Saturday.

The LDP will adopt the document at its party convention on Tuesday, LDP officials said.

Japan has become one of the most affluent nations due to the sharp appreciation of the yen. But the Japanese people have not enjoyed the benefits since price advantages have not been passed along to consumers, it said.

Skyrocketing land prices in major urban areas have made it difficult for workers to purchase houses and the people urgently need relief, the LDP said.

The LDP is obligated to help the people realize such "dreams" as home ownership, the report said.

The LDP will make the "furusato (hometown) creation" plan advocated by Prime Minister Noboru Takeshita its top priority toward the 21st century, it said.

It is necessary to decentralize the government's management, information and cultural functions concentrated in Tokyo and develop a more balanced nation by realizing Takeshita's plan, it said.

The conservative LDP, in power since 1955, said it is also determined to tackle political reform and establish political ethics to restore public confidence in government damaged by the Recruit Cosmos stock trading scandal involving top LDP politicians, the document said.

Political reform aims to realize a low-cost election system, a review of the political funds control law and redistribute seats in the 512-member House of Representatives, the action program said.

The LDP also reiterated its goal of achieving "a truly independent" nation by scrapping the post-war Constitution and replacing it with a new document.

The party said the international political climate is still "severe" and that Japan must promote solidarity and cooperation with free democratic countries and as a member of Asia and the Pacific region.

Japan will continue to strengthen ties with the United States which are central to its diplomacy, it said.

It is also important to broaden and deepen relations with West European countries to establish balanced tripartite ties among Japan, the United States and Europe, the document said.

As for relations with the Soviet Union, the LDP's basic policy is that Japan should establish stable ties based on mutual understanding by concluding a peace treaty after the Soviet Union returns four islands off Hokkaido occupied by the Soviets since the end of World War II, the LDP action plan said.

The tough Soviet stance on the territorial issue will require that Japan negotiate "tenaciously," it said.

The party also pledged to take the lead in demanding the return of the four islands.

The action program said the party will seek to bolster relations with China and South Korea and support Seoul's initiatives to improve ties with North Korea.

Stability in the domestic political arena is important to resolve problems both inside and outside Japan and the LDP is determined to win the House of Councillors election in July with the aid of 5.8 million LDP members, it added.

31 January 1989

Diet Leaders Allegedly Received Recruit Funds
*OW3001141089 Tokyo KYODO in English 0304 GMT
 30 Jan 89*

[Text] Tokyo, Jan. 30 KYODO—House of Representatives Speaker Kenzaburo Hara and former House of Councillors President Masaaki Fujita received large political contributions from the scandal-plagued Recruit Co. up until the summer of 1988, political sources said Monday.

Contributions to Hara took the form of annual membership fees to the speaker's support group. The support came to a halt last summer soon after the discovery of Recruit's questionable stock sales to major public figures, according to the sources. The amount of money the group received was unknown.

Fujita accepted funds from the company for a total of nine years through his political organization. The former House president collected a total of 1.1 million yen in Recruit contributions until their halt in 1988.

Senior Liberal Democratic Party member Hara, who belongs to former Prime Minister Yasuhiro Nakasone's intraparty faction, has been reelected 17 consecutive times and took up the speaker's post in July 1986 after serving in various capacities, including two terms as labor minister in the late 1960s and early 1970s.

Leader Defends Support

*OW3001133089 Tokyo KYODO in English 0920 GMT
 30 Jan 89*

[Text] Tokyo, Jan. 30 KYODO—House of Representative Speaker Kenzaburo Hara defended his acceptance of 19 million yen in political contributions from the embattled Recruit Co. in a press conference today citing his return of all funds last summer.

Hara called the conference after political sources reported that the speaker's support group had accepted funds from Recruit. The sources did not cite an amount.

Hara, a former senior Liberal Democratic Party member, detailed the various club membership fees and event ticket purchases which comprised the 19 million yen amount, adding that the contributions were legally sound and had already been returned.

Recruit withdrew from the speaker's political support group last summer at his request, the sources said.

The sources also said former House of Councillors President Masaaki Fujita had accepted 1.1 million yen in Recruit political contributions over nine years.

The Recruit scandal has forced the resignations of several government and business leaders for making questionable purchases of Recruit stock just before the company was listed publicly in October 1986 or accepting contributions from the information giant.

North Korea

Crash of U.S. F-16 off South Coast Noted
*SK3101111389 Pyongyang KCNA in English
 1059 GMT 31 Jan 89*

[Text] Pyongyang January 31 (KCNA)—A fighter bomber of the U.S. Air Force in South Korea crashed on January 30, according to a report.

An "F-16" fighter bomber that made a sortie from the U.S. air base in Kunsan, North Cholla Province, crashed in the sea off Kunsan while flying in a war exercise against the North.

The crash of this nuclear-capable plane is giving vent to strong protest of the South Korean public.

U.S. Remarks on Troop Strength Denounced
*SK3101055089 Pyongyang KCNA in English
 0529 GMT 31 Jan 89*

[Text] Pyongyang January 31 (KCNA)—The United States is circulating at will of late through THE WASHINGTON POST a groundlessly fabricated lie that we have reinforced armed forces to reach "over one million" strong.

Refuting this, NODONG SINMUN Tuesday says this is one more vicious manifestation of the imperialist reactionary offensive against our Republic and an insidious scheme to slander us who are making efforts for peace and relaxation of tensions.

In a signed commentary the paper continues:

Lurking behind the U.S. advertisement of our "reinforcement of armed forces" is a sinister intention to justify the U.S. forces' occupation of South Korea and create an excuse to keep them as ever.

The United States has deployed its forces far more than 40,000 strong and over 1,000 nuclear weapons and a large number of chemical weapons in South Korea and put the puppet army some one million strong and para-military forces over 10 million strong under its command. And, not content with this, it is constantly reinforcing them.

Moreover, it announced a plan to stage the "Team Spirit" joint military maneuvers, a test nuclear war against our Republic, and plans to stage a "Pacific exercise" in the fall this year.

The U.S. imperialists who find no excuse to justify such moves of war gamble going against the trend of detente in some regions and against peace on the Korean peninsula, try to justify them by fabricating a lie that our armed forces are "one million" strong and advertising "threat from the North" more noisily.

With such fabrications, they intend to placate the South Korean people who are valiantly fighting for the withdrawal of the U.S. forces under the banner of independence, democracy and reunification and appease the world public opinion.

The purpose of their talk about "reinforcement of armed forces" is to beef up their forces in South Korea, far from withdrawing them, and to step up their policy of division and war against Korea.

The United States should give up the dirty intention to justify its occupation of South Korea and its manoeuvres of division and war and get out of South Korea taking along its troops and nuclear weapons.

Kim Chang-yong Sends Message to Red Cross
SK3101110189 Pyongyang KCNA in English
1048 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—Kim Chang-yong, chairman of the Korean Students Committee, sent a message on January 31 to the president of the South Korean Red Cross through the Red Cross hot line.

The telephone message says:

I, authorized by the Korean Preparatory Committee for the 13th World Festival of Youth and Students and the Korean Students Committee, sent a letter to "the National Council of Student Representatives" (Chondahyop) of South Korea through your Red Cross on December 26 last year.

Concerning our letter, Chondahyop decided to participate in the 13th World Festival of Youth and Students slated in Pyongyang in coming July and entrusted your Red Cross on January 21 last to convey a reply letter to our Korean Students Committee.

On the same day the South Korean "government"-run television screened a scene showing student Chong Myong-su, acting chairman of Chondahyop, directly handing a reply letter to our side to your Red Cross side.

In the meantime, the Korean Students Committee has awaited a reply from "Chondahyop," in the hope that North-South student talks for discussing the participation of South Korean youth and students in the Pyongyang festival will be held at an early date.

However, the South Korean Red Cross has not delivered the letter to our side without any good reason up until now, ten days since it was entrusted with the letter by "Chondahyop."

Considering this incomprehensible behavior of the South Korean Red Cross as abnormal, we express deep apprehensions and regret at it.

The Korean Students Committee expresses the hope that the South Korean Red Cross will promptly hand over the reply letter of "Chondahyop" to our side although it is belated.

Paper Denies North-South Trade 'Propaganda'
SK3101022189 Pyongyang Domestic Service
in Korean 0008 GMT 29 Jan 89

[NODONG SINMUN 29 January commentary: "They Will Get Nothing From Their Smearing and Fabricating Propaganda"]

[Text] A propaganda campaign was recently launched in South Korea saying that unofficial direct trade or trade through third countries is taking place. Such a propaganda campaign, which newspapers, radio and television stations, and other press media in South Korea began at the end of last year, is louder this year. Trade rumors are being spread as if trade negotiations were busily taking place, as if sea routes in the East and West Seas have opened, as if our goods were being delivered to the South, and as if various South Korean goods were being delivered to the North. Is this true?

Of course, our consistent stand and our fellow countrymen's unanimous desire is that the North and South realize collaboration and unity in various sectors, including the economic one. However, this has not been realized because of the criminal maneuvers by the South Korean puppet clique, which seeks national division and confrontation between the North and South.

As has been known, the South Korean rulers put forth anticommunism as their state policy. Even though the puppets have said that they will revise the State Security Law, a notorious anticommunist law, they still term our Republic as an anti-state organization and are suppressing all the acts by the South Korean people who demand that contacts and dialogue take place, after terming their acts as illegal, procommunist, and treasonous. Also recently, jittery over the introduction of our ideas and systems, the puppets threatened that they will sternly deal with this issue to defend the establishment, and placed publishers behind bars. The South Korean press circles also say that trade between the North and South is in violation of the State Security Law and other relevant laws.

It is well known that the economic talks, which placed economic collaboration and exchange between the North and South on the agenda, have been suspended due to

the South Korean rulers' confrontational policy. It is needless to explain any further that no economic trade of any sort has been realized between the North and South. Therefore, even though they said that they are showing a scene in which goods imported from the North are unloaded, South Korean smearing experts, who grew experienced in fabricating something nonexistent as if it were existent, showed a scene in which relief goods were sent to South Korean flood victims several years ago were being unloaded; showed goods, that they said they imported from the North, without removing a label from Hong Kong, and did other clumsy things. The question is: Why are those concerned, who blocked the path toward multilateral collaboration and exchange with the policy of confrontation, doing such clumsy things and trying to fabricate nonexistent economic trade between the North and South as something existent.

A South Korean source said that hidden behind the No Tae-u ring's smear campaign on economic trade between the North and South is an attempt to resolve a crisis facing its rule by diverting the attention of the people, who demand that the truth of the Kwangju situation and the irregularities of the Fifth Republic be explained and that major criminals in this be punished, to economic trade with the North. This is a just analysis in every respect.

As has been disclosed, the South Korean rulers are in trouble due to various political problems. Among other things, an acute confrontation between democratic and military fascist forces has continued in South Korea over the issue of explaining the truth of the Kwangju situation and the irregularities of the Fifth Republic and punishing major culprits involved. Moreover, corpses of those buried alive have been found and, as a result, the people's anger toward the killers is growing. As for the irregularities of the Fifth Republic, while talking about a political solution, the puppets had Chon Tu-hwan release a statement apologizing to the people in order to evade the issue. However, the situation has been resolved. Since the end of last year, the spearhead has been directed to traitor No Tae-u and the DJP, which are defending Chon Tu-hwan. The DJP is also calculating to use traitor Chon Tu-hwan as a shield to block the people's resistance and as a fireman who puts out the flames of struggle. However, this stands no chance of success.

The antigovernment and antidictatorial struggle of the people is expected to more fiercely erupt this year in combination with the anti-U.S. struggle for independence and reunification. This situation plunges traitor No Tae-u, who is faced with another pending issue, that of the interim evaluation that he committed himself to after the Olympics, into a predicament.

Nazi dictators of Germany once pacified the people's antifascist spirit through brazen deceptive maneuvers and exploited them as cannon fodder for the aggressive war, raving that a hundred lies can make a truth and a big lie is better.

Following the example of its precedent fascist elements, the South Korean ruling bunch has perpetrated such tricky maneuvers on countless occasions. It is the very No Tae-u ring that fabricated the incident of the missing airplane by linking it to us to secure votes to enable the military fascist element to take power.

By its hackneyed method, the No Tae-u ring has begun a higher level of political gambling concerning North-South relations, trying to extricate itself from crises through tricks. It is a very tricky commotion with regard to North-South economic exchange.

According to obtained information, the puppet National Security Planning Agency, under the command and manipulation of traitor No Tae-u, has distributed data on items of direct trade with us to the press and has instigated it to work as a shock brigade of false propaganda.

No Tae-u, called the ruler of South Korea, has recently directed authorities concerned to map out a way for properly offering information, saying that there are many groundless rumors and conjectures on North-South exchange. This is not an expression of his complaint about any groundless rumors and conjectures, but a manifestation of his demand to make tricky data more convincing.

The No Tae-u ring is conducting propaganda on the opening of a new era in North-South relations in which the South Korean people are interested, to direct their attention to North-South relations, thus calming down the mass struggle calling for clarifying the truth of the Kwangju incident, for bringing the irregularities of the Fifth Republic into light, and for punishing the ringleaders of the incident and the irregularities, and extricating itself from crises in the rule. Furthermore, it is attempting to block and stifle the reunification movement, which is likely to develop further this year, by pretending that it is interested in national reconciliation and unity and the improvement of North-South relations.

The puppet's false propaganda is also aimed at justifying the splittist 7 July declaration and the Northward policy, which have been denounced and rejected at home abroad, and at creating favorable circumstances to conduct two Koreas.

However, no amount of intrigue can help solve problems and turn back the tenor of the times.

We always keep the door of multifaceted collaboration and exchange between the North and the South open. Also, we have put forward the most reasonable, realistic, and fair negotiation proposals to realize North-South collaboration and exchange and have made all possible efforts to this end.

The problem lies in the stance and attitude of the South Korean ruling bunch. While paying lip service to the improvement of North-South relations, the South Korean people in charge have objected to taking any measure to remove acute political and military confrontation and ease tension.

They are trying to conduct the "Team Spirit" joint military exercise again this year, along with the U.S. imperialists, when North-South dialogue in various areas are scheduled, thereby overshadowing the path ahead of dialogue.

Without solving the problem of detente, dialogue cannot be realized, still less economic exchange.

The South Korean people in charge should no longer cling to the despicable and foolish maneuvers of trying to gain something through exorbitantly false propaganda, without doing what they should do practically to realize North-South economic collaboration and exchange.

Also, the South Korean press should not deceive the people and disgrace itself by being taken advantage of by the puppet clique's tricky propaganda.

No's Preemptive 'Suppressive Order' Denounced
SK3001225089 Pyongyang KCNA in English
1527 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—The No Tae-u military hooligans, crying that students' raid for the occupation of the "National Assembly" building, the buildings of the "Democratic Justice Party" and prosecutor's office is expected, issued an order on January 28 to all police stations in Seoul to intensify patrol, guard, checkup and search, according to a report. By this suppressive order, huge police forces were mobilized to throw out a strict cordon in the city.

This suppressive order reveals extreme nervousness and uneasiness of those who are living their last remaining days, forsaken by the people for their treacherous acts.

SKNDF Denounces Suppression of Publishers
SK2601150789 Pyongyang KCNA in English
1458 GMT 26 Jan 89

[Text] Pyongyang January 26 (KCNA)—The Central Committee of the South Korean National Democratic Front ("HANMINJON") on January 20 issued a statement denouncing the criminal act of the fascist clique in suppressing the publishers of "Selected Works of Kim Il-song", "The Sea of People" and other books on charges of violation of the "National Security Law," according to a report of radio "Voice of National Salvation."

Recalling the overbearing declaration of the fascist "regime" that it would "strictly control" books praising the chuche idea in the future, too, the statement says:

The chuche idea founded by General Kim Il-song, the sun of the nation, is the guiding idea of the nation correctly reflecting the desire and will of our nation and the common progressive idea and guiding banner of mankind representing the present era and the future.

Progressive mankind is following the chuche idea and it is an irresistible trend of the present times to espouse it.

It is a vital request and inviolable right of all the people in the south desirous of independence, democracy and reunification to widely propagate and disseminate the immortal chuche idea in the South Korean society and eagerly accept and espouse it.

The No Tae-u group is now attempting to bind people to the anti-communist fascist system by threatening them and breaking their will to know the realities of the north and live with faith in the idea of chuche by seizing books concerning the north and making wholesale arrests of publishers, but this is a mistake.

With no physical violence or coercion can they dampen or break the popular sentiments sympathizing with and following the new idea of the times.

Our "HANMINJON" joins the patriotic people of all strata who love justice and truth in strongly demanding an unconditional and immediate release of the publishers walked off and detained under outrageous evil laws.

DJP Plan To End Kwangju Panel Denounced
SK3101052889 Pyongyang KCNA in English
0536 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—Gangsters of the "Democratic Justice Party" held a "party officials meeting of Chongwadae" at which they clamoured that there is no need of continuing the activity of "Parliamentary Ad Hoc Committees" for a probe into the truth behind the Kwangju incident and the "Injustices of the Fifth Republic" and that "interim National Assembly session" in February will adopt a "Report on the Activity of the Ad Hoc Committees" to end their activity and in case opposition parties do not agree to it they would unilaterally "declare" the "termination of the ad hoc committees."

The No Tae-u group attempts to keep the truth of the crime in the DPRK without punishment of the main culprits of the Kwangju incident and the "scandals of the Fifth Republic," by talking loudly about the arrest of a few relatives of Chon Tu-hwan and a few small fries in the "scandals of the Fifth Republic" on charge of "abuse of power," says NODONG SINMUN today in a signed commentary.

It continues:

Worse still, the crime of the traitor Chon Tu-hwan, the main culprit of the "irregularities of the Fifth Republic," has not been touched upon.

In fact, there is no new probe into the truth of the Kwangju incident and "scandals of the Fifth Republic" beside the already known fact.

A radio of South Korea revealed that they decided to hastily conclude a probe into the truth of the Kwangju incident and the "scandals of the Fifth Republic" because of the judgement that "the government may shake to its very foundation" if they fail to bridge them over as there is a sign of a factional strife within the "DJP" as regards the Kwangju incident and the "injustices of the Fifth Republic."

The No Tae-u group, accomplice in the Kwangju blood-bath and "irregularities of the Fifth Republic," tries to cover up its crime and maintain the military fascist dictatorial "regime" by concluding the activity of the "ad hoc committees."

Chonminnyon Demands Punishment of Chon Couple
SK3001223089 Pyongyang KCNA in English
1523 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—The Presidium of the National Alliance of the Movement for the Nation and Democracy (Chonminnyon) had a press conference January 28 and stated that "Chonminnyon demands again the arrest and punishment of Chon couple" stressing that it could not forgive the attitude of No Tae-u "regime" which is trying to settle the question of the Kwangju incident and "irregularities of the Fifth Republic" without a thorough probe and punishment of the main culprits, according to a report.

Noting that the opposition parties are also hurrying to clinch the activities of the "National Assembly ad hoc committees" lending a deaf ear to the demand of people, the presidium declared that "it would not overlook the collusion of the present 'regime' and three opposition parties." It warned that closely "watching the moves of political power," "Chonminnyon would launch an allout struggle together with people" in case it fails to follow a right way.

Reverence for Kim Chong-il Said Growing in South
SK2601104789 Pyongyang KCNA in English
1041 GMT 26 Jan 89

[Text] Pyongyang January 26 (KCNA)—Reverence for dear Comrade Kim Chong-il is growing stronger among the South Korean people with each passing day.

According to radio "Voice of National Salvation" of South Korea, a professor of history of Seoul University told his students:

"You must follow with might and main the leadership of the dear leader Mr. Kim Chong-il, cherishing the pride of holding him in high esteem as the leader of the nation. Herein lies a clear way of accomplishing the cause of national independence and achieving an eternal prosperity of the nation." Noting that this trust of the South Korean people struck its deep roots when they have realised the greatness and wise leadership of Comrade Kim Chong-il, he went on:

"Mr. Kim Chong-il is the great successor to the chuche cause who devotes himself to and carries forward President Kim Il-sung's cause of national independence. It is thanks to the wise leadership of President Kim Il-sung and to the energetic guidance of Mr. Kim Chong-il, great lodestar, that the North exalts its national prestige as a powerful sovereign and independent state which the world admires."

South Korean people have this to say:

"Dear Mr. Kim Chong-il is carrying forward the cause of national independence on the highest plane with his outstanding leadership, brilliant intelligence, noble virtues and infinite magnanimity.

"As we have him, the greatness of our nation is further exalted."

Memorial Service for Southern Martyr Held
SK2501162389 Pyongyang KCNA in English
1543 GMT 25 Jan 89

[Text] Pyongyang January 25 (KCNA)—A Pyongyang memorial service on the 20th anniversary of the death of Choe Yong-to, former chairman of the South Cholla Provincial Committee of the Revolutionary Party for Reunification, was held at the February 8 House of Culture this afternoon.

Present on the occasion were Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the Pyongyang municipal committee of the party and chairman of the Pyongyang Municipal People's Committee; Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party; Yo Yon-ku, Presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland; and other personages.

Cho Il-min, representative of the mission of the "South Korean National Democratic Front" in Pyongyang, was also present.

The attendants observed a moment's silence in memory of Choe yong-to.

Secretary of the WPK Central Committee Choe Tae-pok in his memorial address paid homage to the deceased and expressed deep condolences to his bereaved family and south Korean patriots who fought with him, on the occasion of the 20th anniversary of his death.

Introducing the record of the struggle of Choe Yong-to, Choe Tae-pok said that the patriotic struggle for independence, democracy and reunification to which Choe Yong-to devoted his whole life is being successfully carried forward by the South Korean patriots and people.

He recalled that the Revolutionary Party for Reunification was founded in August 1969 and later has been strengthened and developed into the "South Korean National Democratic Front" to wage the anti-U.S. nation-saving reunification movement more dynamically.

Stressing that today the South Korean people are faced with an important task to realize at the earliest date possible the noble cause which Choe Yong-to and other South Korean patriotic martyrs left unfinished, he called for an effective step to remove the political and military confrontation between the North and the South.

Stressing that the important matter at the moment is to convene a political consultative meeting of leadership-level people in the North and the South which was proposed by the great leader Comrade Kim Il-sung in his New Year address, he said: The South Korean people of all walks of life should intensify the struggle to achieve national reunification through confederation.

Vice Premier Meets Soviet Planning Delegation
SK2601221989 Pyongyang KCNA in English
1537 GMT 26 Jan 89

[Text] Pyongyang January 26 (KCNA)—Vice-Premier Hong Song-nam met and had a friendly conversation with the delegation of the State Planning Committee of the Soviet Union headed by its vice-chairman P.A. Paskar at the Mansudae Assembly Hall on January 26. Present on the occasion were Kim Hak-u, vice-chairman of the State Planning Commission, the economic minister-counsellor and the commercial representative of the Soviet Embassy in Pyongyang.

Delegation Head Hails Festival Preparations
SK3001231289 Pyongyang KCNA in English
1531 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—Tor-Hugne Olsen, vice-president of the International Federation of Liberal and Radical Youth, who was heading a delegation of the federation on visit to Korea, was interviewed by a reporter Monday before leaving Pyongyang.

He said his delegation, during its stay in Korea, was deeply impressed while going round the sports, cultural and public service facilities rising up in Pyongyang with the 13th World Festival of Youth and Students ahead.

He further said:

Your country has several splendid stadiums available for the festival functions. But it is building gigantic modern stadiums of new architectural style to ensure the functions more successfully.

All the architectures of Kwangbok Street now taking shape on a grand scale will, no doubt, please the festival participants and ensure them all conveniences and conditions in their daily activities, we believe.

Noting that the Korean people and youth are now preparing the Pyongyang festival, an international assembly of youth and students of the five continents, on a high standard, he said: The festival will be an international gathering of world people and youth and students for peace, friendship and solidarity.

He briefed the reporter on the work undertaken by the International Federation of Liberal and Radical Youth for the Preparation of the 13th World Festival of Youth and Students.

He sincerely wished the Korean people and youth and students greater achievements in the preparation of the festival.

'Revolutionary Self-Cultivation' Praised
SK3101104789 Pyongyang KCNA in English
1033 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—NODONG SINMUN today carries a signed article headlined "Revolutionary Self-Cultivation is Noble Work To Add Luster to Honour of Being Chuche-Type Revolutionary."

The article says:

Dear Comrade Kim Chong-il pointed out:

"If one wants to become a true communist, one must cultivate strong willpower which will not break in any adversity and acquire rich experience of the revolutionary struggle and master its methods through constant ideological self-improvement and practical struggle."

What is essential in revolutionary self-cultivation at present is to regard fidelity to the party and the leader as faith and obligation, to firmly establish a revolutionary outlook on the leader.

Loyalty to the leader is the life and soul of a chuche-type revolutionary.

Apart from his loyalty to the leader a revolutionary's noble ideological and mental trait and qualification are unthinkable and any self-cultivation is unspeakable.

To keep loyalty to the leader is the central task which was the first demand in the self-cultivation of communist revolutionaries in the past and which should be held fast to forever in the future, too. Loyalty to the leader we mention in revolutionary self-cultivation is incomparably noble one. It is a lofty ideological feeling combined with infinite fidelity and filial affection to hold in high esteem and follow respected Comrade Kim Il-song as the Great Leader and the tender-hearted father.

Loyalty of communist revolutionaries to the leader becomes most truthful and solid when it is added by filial affection of holding the leader in high esteem as the father. The combination of loyalty and obligation as one is the ideological and mental character of a *chuche*-type revolutionary and the secret of bringing loyalty to the leader onto such a lofty height. This is why the self-cultivation of our functionaries and working people should be oriented to having the transparent stand and viewpoint of holding respected Comrade Kim Il-song in high esteem ideologically with a will and sense of moral obligation.

To become an indomitable revolutionary soldier who has firm fidelity and filial affection of holding him as the great leader and father is the fundamental purpose and content of the self-cultivation of the *chuche*-type communist revolutionaries today who uphold the party's cause.

Revolutionary self-cultivation aimed at cherishing loyalty to the leader of the revolution as faith and obligation is the worthwhile work of *chuche*-type revolutionaries to have noble political life, make it shine forever and enjoy a most valuable life and happiness.

Revolutionary self-cultivation is an important guarantee that makes *chuche*-type revolutionaries serve the party and the masses faithfully with the lofty spirit of service to the people. Revolutionary self-cultivation is a peculiar trait and way of life of revolutionary soldiers of our era who entrust all their destinies entirely to the great leader and follow him.

What is important in intensifying revolutionary self-cultivation among functionaries, party members and other working people is to arm themselves firmly with the ideas and theories of our party, steadily intensify revolutionary self-cultivation in the revolutionary practice of carrying through party policies and incessantly raise the level of their training.

**Roundtable Praises Kim Il-song's Proposal
SK2501024189 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
15 Jan 89**

[Roundtable talk among Yun Chong-won, Kim Chol-min, and an unidentified announcer, "The Proposal for Convening a North-South Political Consultative Meeting Is a Desirable Way for Reunification and National Salvation"]

[Text] [Announcer] How are you?

[Yun Chong-won and Kim Chol-min] How are you?

[Announcer] As has already been widely known at home and abroad, President Kim Il-song, the peerless patriot of our nation, put forward, in his New Year's address, a proposal to hold a North-South political consultative meeting in Pyongyang with the participation of leadership-level people who can represent the will of each party, grouping, and stratum in the North and the South—a nation-saving measure to solve the problem of the country's reunification on the basis of a national consensus.

I have been told that this proposal is enjoying an ardent support and approval among the masses at home and abroad. The reason for this is, I think, that the proposal for convening a political consultative meeting of leadership-level people in the North and the South is a desirable nation-saving way for expediting the independent and peaceful reunification of the country, which our nation earnestly aspires for.

In this hour, I would like to discuss why the proposal for convening a North-South political consultative meeting is a desirable nation-saving way to expedite independent and peaceful reunification.

Will you talk about this question first?

[Yun] Let me talk about why the proposal for a North-South political consultative meeting is a desirable nation-saving way. First of all, it is important to call President Kim Il-song's remarks in his New Year's address in mind. He stated: A North-South political consultative meeting between leadership-level people in the North and the South is a national forum to most easily collect the opinions of the nation at the present condition and a reasonable method for reaching a national agreement on the way for reunification.

As in his remarks, there are two reasons why the proposal to convene a political consultative meeting is a desirable way for national salvation. One is that a North-South political consultative meeting is a national forum to most easily collect the opinions of the nation at the present condition; and the other is that it is a reasonable method for reaching a national agreement on the way for reunification.

[Announcer] Why do you think a North-South political consultative meeting is a national forum to most easily collect the opinions of the nation at the present condition?

[Kim] Let me talk about it. I think that the reason why a North-South political consultative meeting is a national forum to collect the opinions of the nation at the present condition proceeds from the nature of the question of reunification.

As you know well, the question of our country's reunification is a nationwide cause concerning the fate of all fellow countrymen. Therefore, the question of reunification is a big problem of the nation that can be successfully solved only when the strength of not only some people but the opinions and strength of the entire nation are pooled.

For this very reason, the North has consistently maintained the policy of wide-ranging dialogue. In the New Year's address, too, it proposed a North-South political consultative meeting as a national forum to fully reflect the opinions of each party and grouping and the masses of each walk of life and invited the presidents of the four parties, Cardinal Kim Su-hwan, Rev Mun Ik-hwan, and Mr Paek Ki-wan in the South to Pyongyang.

Also, it solemnly declared that bilateral or multilateral talks can be held within the framework of a political consultative meeting between leadership-level people in the North and the South.

[Yun] If the presidents of the DJP, the PPD, the RDP, and the NRDP and such renowned figures as Cardinal Kim Su-hwan, Rev Mun Ik-hwan, and Mr Paek Ki-wan in the South visit Pyongyang, hold a significant meeting with representatives of each party and grouping and the masses of each walk of life in the North, and discuss matters concerning reunification in an open-hearted manner, the (opinions of the nation) will be collected and the door for reunification will open wider.

[Announcer] From that point of view, a North-South political consultative meeting between leadership-level people can serve as a national forum to most easily pool the opinions of the nation at the present condition.

Next, will you talk about why a North-South political consultative meeting is a reasonable way for reaching a national agreement on the way for reunification?

[Kim] The reason is, in a nutshell, that a North-South political consultative meeting adopts as its agenda item the proposal for founding a democratic confederal republic of Koryo [DCRK], the most realistic and reasonable way for national reunification which reflects the three principles of national reunification that the North and the South have already agreed on and proclaimed and that the world has recognized.

As you well know, the proposal for founding the DCRK is the best way for reunification, which makes it possible to most quickly solve the problem of reunification in the concrete reality of our country, where the North and the South have different ideas and systems.

As President Kim Il-sung mentioned in the New Year's address, national reunification is an issue to be resolved in the near future, but a realistic task. Guaranteeing peace and realizing reunification in our country are interrelated tasks. There cannot exist a transitional period between these two causes.

Regarding national reunification as a matter of establishing a system on a national scale and considering it to be an issue of the distant future while setting up complex stages is an unrealistic sophism or virtually an act of not desiring reunification and turning away from the urgent desire of the nation.

In the New Year's address, however, President Kim Il-sung proposed to discuss the way for founding the confederal republic, a method for most quickly realizing reunification at the present condition of the country, in which the North and the South have different ideas and systems. For this reason, the way for the confederal system is a reasonable method that makes it possible to reach national agreement at a North-South political consultative meeting.

[Yun] That is true. Because President Kim Il-sung's proposal for the confederal system is the best way for reunification, it is arousing great support and sympathy among figures of each party and grouping and the masses of each walk of life in South Korea. Therefore, they demand reunification through the confederal system.

This perception convinces us that if a North-South political consultative meeting between leadership-level people is convened, there will certainly be an agreement on reunification through the North-South confederal system. Furthermore, if a North-South political consultative meeting is convened and successfully proceeds, the suspended North-South dialogue in various areas will be resumed and a road for multifaceted collaboration and exchange will open sooner or later. It is also predicted that a historic event, in which the North and the South genuinely reconcile and unite with each other, will be created.

[Announcer] It seems obvious that an epochal phase will begin in solving the problem of reunification.

We have, so far, discussed why the proposal for a North-South political consultative meeting in President Kim Il-sung's New Year address is a desirable nation-saving way for expediting independent and peaceful reunification.

President Kim Il-song's lofty patriotic intention of giving our fellow countrymen a reunified fatherland dwells in his proposal for a North-South political consultative meeting to reach a national agreement on the way for reunification and in his invitation to the presidents of the four parties and figures in South Korea.

What do you think is an important question in urgently realizing President Kim Il-song's proposal for holding a North-South political consultative meeting between leadership-level people?

[Kim] The most important question is a matter of South Korean leadership-level people assuming a correct attitude and stance toward dialogue.

As we have already mentioned, the proposal for a North-South political consultative meeting genuinely proceeds from a single-hearted desire for national salvation. Therefore, those who are concerned about the fate of the country and the nation would find no reason and condition for not accepting the North's new proposal.

As soon as the proposal for a political consultative meeting was made public, however, the government and the ruling party rejected the inevitability of the convocation of a political consultative meeting in a hackneyed way by mobilizing patronized propaganda media and unhesitatingly made the antinational remarks of denying the reasonable and realistic nature of the confederal system to be the agenda item.

[Yun] As a matter of fact, the South Korean persons in authority used to take the attitude of unconditionally ignoring or turning down whatever reasonable proposals for reunification the North had. In the case of dialogue and contact, they used to exploit them as a means to perpetuate national division, deceive the masses, mislead public opinion, thus realizing their impure political purpose. The hard-won North-South dialogue in the early seventies and the dialogue which resumed in November 1984 failed to attain success, and no proposal for reunification, including the proposal for the confederal system, has been put into practice. This is attributable to the splittist maneuvers of the South Korean persons in authority and the United States, the behind-the-scenes manipulator, and their wrong attitude and stance toward dialogue.

[Announcer] I agree. Since the attitude is a factor deciding the fate of dialogue, the South Korean persons in authority must come to dialogue with a correct attitude so that it can truly contribute to improving North-South relations and solving the problem of the country's reunification.

As noted in the New Year's address, the North will welcome leadership-level people of South Korea if they visit Pyongyang with constructive ways for reunification and at the same time, it genuinely wants to discuss in an open-hearted manner whatever proposal it will put forth.

Under this condition, the presidents of the four parties and figures should correct their distorted attitude toward dialogue and make a determination to come to dialogue in Pyongyang at an early date.

Thank you very much.

SKNDF Statement Alleges Labor Suppression
SK2501015889 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
18 Jan 89

[Statement issued by the director of the SKNDF Agricultural and Labor Bureau on 16 January—read by announcer]

[Text] Voices of people from all walks of life denouncing the suppression of labor movement and barbarous terrorist acts perpetrated by the No Tae-u military dictatorial regime are resounding more loudly recently. Under such circumstances, on 15 January, a pan-national workers' rally and mass demonstrations to crush the repression of labor movement and to denounce terrorism and barbarous acts were staged in Ulsan.

About 20,000 people, including representatives of trade unions from Hyundai Heavy Industries and 11 companies of the Hyundai Group, Sonoryon [League of Trade Unions in the Seoul area], as well as representatives from the Council of College Student Representatives in the Yongnam [North and South Kyongsang Provinces] Area, and figures from opposition organizations including Mingahyop [Council of Families of Detained Democratic Political Prisoners], attended the rally and participated in the demonstrations.

Sternly warning the suppression of labor movement and violent, barbarous terrorist acts perpetrated by the present military dictators, the participants adopted a nine-point resolution including the arrest of business group owners, reinstatement of dismissed workers, and abolition of evil labor laws. They resolved to rise in a general struggle to call for the resignation of the No Tae-u regime if their demands are not accepted.

Their demands and resolutions fully reflect the unanimous demands and will of the 10 million workers including those of Hyundai Group and the masses from all walks of life and won warm applause from all workers and people throughout the country.

The workers' struggle staged in Hyundai Heavy Industries and other companies of Hyundai Group, the Daewoo Precision Machinery Plant, the Pungsan Metal Company, Motorola, and Korea IBM, is a natural reaction of men who are being driven into an extreme situation and is a fair exercise of human rights. It is also a just expression of the administrative rights which advocate the rights of those who are directly engaged in production, declaring their social existence.

Therefore, the response to such a workers' struggle should be an unconditional and immediate acceptance and resolution of their demands, not suppression or punishment.

However, while branding such a just struggle by the workers as an illegal violent act which threatens the free democratic system, destroys free economic order, and harms the stability of the people's life, the No Tae-u military dictatorial group recklessly handed down various repressive directives during last year end and the beginning of the New Year, thereby oppressing the workers' struggle by mobilizing enormous government power.

Meanwhile, on 8 January, the No Tae-u military dictatorial group, in collusion with Hyundai Group, committed even a premeditated and organized violent terrorist act against the workers of the Hyundai Heavy Industries who were holding a new year gathering for unity, and successively raided the office of Hyundai's dismissed workers.

Such a violent terrorist atrocity of the present military dictatorial regime as part of an overall scorched earth operation against labor movement is an intolerable crime which runs counter to democratization and which evokes fierce indignation from the people of all walks of life.

The pan-national workers' rally and mass demonstrations staged in Ulsan on 15 January to crush the suppression of labor movement and to denounce the barbarous terrorist act was the eruption of such indignation by the people and demonstration of firm will of all people not to live any longer as slaves of military dictators and capitalists. Therefore, their demands and calls should be met unconditionally.

However, such demands and calls will not be realized of their own accord but can be achieved only through ceaseless struggle. Thus, the masses from all walks of life should actively support and encourage the workers who are carrying out the courageous struggle to crush the barbarous suppression of labor movement by the present military dictatorial regime and to demand the abolition of evil labor laws and reinstatement of dismissed workers and should unanimously join in their struggle.

The might of the people who are firmly united under one banner with one aspiration and one goal cannot be blocked even with guns and bayonets.

This is the truth proven by history. No matter how frantically the No Tae-u military dictatorial regime may intensify the fascist suppression, the people can overthrow the present military dictatorial regime if they carry out a pan-national struggle in firm unity and recover the deprived rights and life.

Thus, they will achieve without fail the independence, democracy, and reunification ardently aspired by all people.

[Signed] Director of the SKNDF Agricultural and Labor Bureau
[Dated] 16 January 1989

VNS Urges Struggle for Workers Rights
SK2501010189 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
19 Jan 89

[Special article by the VNS Editorial Department: "Let Us Struggle to the End for the Rights and Interests of the Working Masses"]

[Text] An acute confrontation between the working masses and the No Tae-u military regime is going on in this land.

The just struggle of the working masses, with an invincible will to regain their basic rights, which have been trampled on and deprived, has been fiercely conducted since the beginning of the new year.

Shouts of struggle demanding the revocation of illegal dismissals, an increase in wages and fringe benefits, the improvement of working conditions, an end to the suppression of labor unions, a guarantee of freedom for the activities of democratic labor unions, and the revision of evil labor laws have been thunderously chanted in working sites across the country, including Hyundai Heavy Industries, Hyundai Engineering, and Hyundai Electronics of the Hyundai business group; Motorola Korea, a branch of a U.S. multinational enterprise; IBM Korea; Angang and Tongnae plants of the Pusan Co; Our Data in Kwangju; and Anjon Konop.

Particularly after the assault of police units against workers of the Hyundai business group and members of the Council for the Welfare of Workers dismissed by the group, this struggle has grown fiercer and is likely to gradually spread to every region and business field.

This struggle of the working masses, which indicates that this year's struggle will be unprecedentedly fiercer than ever before, is greatly encouraging the masses of all walks of life and dealing a heavy political blow to the No Tae-u military dictatorial group which seeks to remain in power and stay secure in its system.

Extremely frightened by the powerful advance of the working masses, the No Tae-u military group revealed its murderous cloven hoof, which had been veiled under the cloak of democracy, and began to conduct the bestial operations of stifling the labor movement. The No Tae-u ring has indiscriminately suppressed the workers, who demand their right to survival and democratic freedom,

by mobilizing police force, branding the struggle of workers as an illegal and destructive collective action, and successively issuing special directives never to tolerate it.

In collusion with vicious comprador employers, it has instigated numerous violent hooligans to perpetrate, in an organized way, the outrageous white terrorism of beating with iron pipes, injuring, and abducting leading unionists and workers.

As a result, workers of the Hyundai business group, who demanded wage and fringe benefits increases and the improvement of working conditions, were attacked and, lightly or heavily, injured by violent hooligans; workers of the Pungsan Co, who demanded the revocation of illegal dismissals, were assaulted by about 4,000 riot policemen, and some of them were arrested; and workers of Motorola Korea, who burnt the Stars and Stripes, and workers of IBM Korea were attacked by company-saving units, groups of No Tae-u's private forces.

It is no exaggeration that many people at home and abroad strongly denounce these frenzied and intense fascist operations of the No Tae-u military group against the just struggle of workers for life truly worthy of human beings, branding them as heinous acts, which could be seen in Chicago, in the United States, in the 19th century, and as outrageous acts of stifling the labor movement.

The No Tae-u ring has completely revealed its sordid nature as a group of malicious and ruthless fascist tyrants by issuing a declaration of suppression to the working masses, who want to live a life worthy of human beings, and by turning out to intensely crack down on the labor movement.

As a result, grim difficulties have been laid before our working masses, who struggle to restore their basic rights and to live in a new society where independence and democracy are brought into full blossom.

How can we tide over this difficult situation? The only way is to struggle. The way to block the No Tae-u murderous and violent regime's offensive to crush the labor movement and to regain the working masses' right to live also lies in a stubborn struggle. Among other things, we must ceaselessly wage a struggle to have wages increased, to have working conditions improved, to enjoy the freedom of labor union activities and other rights of workers' to existence, and democratic rights, demands that we have already presented. In particular, we must vigorously wage a struggle to abolish the Labor Standard Law, the Labor Union Law, the Labor Dispute Settlement Law, the Labor-Management Consultative Conference Law, and all other vicious labor laws and to establish democratic labor laws that completely guarantee the three labor laws and the workers' human rights. At the same time, we must cry louder to have labor

movement activists—who were arrested and imprisoned by fascist hangmen for their struggle for the rights and interests of the masses—immediately released, rehabilitated, and reinstated.

The working masses' true rights and interests cannot be guaranteed without overthrowing the No Tae-u military regime and without building a democratic society. Getting rich by crushing the workers' right to existence and their democratic rights and exploiting them is a fundamental nature of the fascist dictators. The current military dictatorial group is a group of bloodsuckers who commit unprecedentedly harsh exploitation and suppression after fabricating the worst labor laws in the world and after defending and manipulating comprador conglomerates and other vicious company owners. It is also a very vicious violent group that randomly arrests, tortures, murders, and fires workers who cry that they would like to live decent lives. All the facts show that a struggle to regain the workers' rights and their democratic rights is not simply a labor-management dispute but a serious confrontation between the working masses and the military dictatorship, which determines survival or destruction. Therefore, the working masses must wage a struggle to have their wages increased, to enjoy the freedom to carry out labor union activities, to have their working conditions improved, to have vicious labor laws abolished, to have the three labor rights guaranteed, and to have detained workers released—a struggle that they are waging at present—after linking this struggle to a struggle to overthrow the No Tae-u military regime and to build a democratic society.

The working masses can realize their genuine liberation only by waging an anti-U.S. struggle to bring an end to the rule and plundering of the U.S. imperialists, behind-the-scenes manipulator of the military dictatorship and very vicious exploiters. By manipulating the pro-U.S. military dictatorial group, which they have raised and placed in power, the U.S. aggressive forces, while taking hold of the economy of this country, are exercising extraterritorial rights and are unlimitedly exploiting the working masses in this land. This is evidenced by the past 40 years of history during which we have been mercilessly exploited and trampled by the Yankee bloodsuckers. This is also evidenced by the fact that U.S. managers of Motorola Korea and Korea IBM arrogantly and brutally suppressed the South Korean workers there.

As long as the U.S. imperialists' rule and exploitation continue, the workers' miserable situation will not improve and their genuine liberation will not be realized. Therefore, the South Korean working masses must closely link a struggle to gain the right to existence and democratic rights to an anti-U.S. struggle to remove U.S. aggressive forces and to regain national sovereignty.

For the moment, while vigorously waging a struggle to prevent the Yankee bloodsuckers from unlimitedly exploiting and plundering the South Korean workers,

they must more strongly wage a struggle to oppose U.S. pressures to open the South Korean markets, an issue that has emerged as a focal point.

It is recognized that even the workers' elementary rights cannot be realized without the participation of a broad spectrum of working masses. Nothing can overpower the united strength of 10 million workers. The united strength of working masses is displayed in a strong joint struggle in solidarity and will hasten the final victory of the labor movement. Therefore, as they did during the July-September 1987 struggle, in which all the strata and business sectors fought shoulder to shoulder, the working masses must rise up in a joint struggle in solidarity to gain the workers' dignity and rights. In this way, we must arrange struggles to realize the working masses' common demands in mines, the railroad sector, ports, manufacturing companies, monopolistic foreign enterprises, U.S. military bases, and all other places.

The working masses' struggle can victoriously make progress only when they wage a joint struggle in solidarity with masses of all other walks of life. An anti-U.S. and antifascist struggle for reunification and national salvation by the youths, students, and masses of all other walks of life is a struggle to realize the working masses' genuine freedom and liberation.

The 10 million working masses across the country must positively join the struggle of the youths, students, and masses of other walks of life who are waging a bloody battle for independence, democracy, and reunification and must play an important role as major forces in this struggle.

Raising the consciousness of the working masses and organizing them is a prerequisite for the final victory of the labor movement. Favorable conditions for raising the consciousness of the working masses and organizationally uniting them, conditions necessary for our masses' positive struggle, have been provided in this land today. By giving priority to consciousness raising, we must awaken the broad strata of working masses to the chuche idea and independent ideological consciousness, have them realize the heavy duty they have in the sacred anti-U.S. and antifascist war for national salvation, and have them positively rise up in the arena of struggle.

Organizing autonomous democratic labor unions and true labor movement organizations that represent and defend the rights and interests of the working masses is one of the important tasks for carrying out the labor movement in an organized manner. Pro-management labor unions that reign over the workers are nothing but servants of power who represent the interests of the oppressors and exploiters, who enjoy their own vested rights. The frontrunners of the labor movement must organize independent labor unions, expand them into regional, sectional, and national organizations, and protect them from the suppression of the fascist tyrants. In

addition, they must double their efforts to organize labor movement organizations that fight for the workers' basic rights, independence and democratization in society, and national reunification. A struggle that the workers are waging at present is not a struggle only for their own interests, but a struggle linked to a struggle to realize independence, democracy, and reunification, all of our masses' hope.

For the patriotic masses of all walks of life to extend support to and solidarity with the struggle of the workers, who raised the first beacon fire of struggle in the New Year, after breaking through threatening, blackmailing, and suppression, is a due obligation. The youths, students, and masses of all other walks of life will not only extend strong support to and strong solidarity with the workers' struggle to regain their basic rights, but will also fight shoulder to shoulder with them.

What the working masses will lose in the struggle are the shackles of suppression and exploitation and what they will earn is the workers' liberation. Ten million working masses across the country: Let us fight hand in hand to crush all sorts of vicious groups, oppressors, and blood-suckers and to mark the new world of democracy and the new day when the workers will enjoy happiness.

VNS Promotes Struggle for Reunification
SK3101070489 (Clandestine) Voice of National
Salvation in Korean to South Korea 0300 GMT
26 Jan 89

[Special article: "Let Us More Vigorously Wage the Nationwide Anti-U.S. Struggle for National Salvation, Independence, and Reunification"]

[Text] Our masses of all walks of life are assigned the important task of accomplishing national reunification at an early date by valiantly waging a nationwide patriotic struggle against the United States and for national salvation, independence, and reunification.

As you know, the country's reunification is the supreme desire of our nation and a national task which is more pressing with the passage of time.

For this reason, our masses steadily waged a massive anti-U.S. movement for reunification last year, upholding such anti-U.S. slogans for reunification as "Yankoes, go back to America," "North and South, march toward reunification," and "Let us meet at Panmunjom, you from Mt Paektu and we from Mt Halla."

In particular, our blood-boiling youths and students, who live with justice and patriotism and always wage a valiant struggle, blazed a fierce gale of grand march toward reunification to realize the 10 June and the 15 August student talks and the cross-country march last year.

Even amid the bestial suppression of the U.S. imperialists and the No Tae-u fascist ring with bayonets and their firing of tear gas cannisters, our youths and students marched step by step toward Paamunjom.

Actively joining in the movement of the youths and students for reunification were workers, peasants, university professors, off-stage democratic figures, religious figures, and masses of other walks of life. They turned out to the plaza of the movement of reunification, powerfully chanting slogans of reunification.

As a result, the movement of reunification in this land has expanded literally into that of the majority, not that of the minority; and into a mass movement involving all walks of life, not a certain class or stratum.

As a matter of fact, our masses' movement of reunification has developed onto a new higher stage, where the masses of all walks of life are its main force, and the people's will to terminate national division and accomplish the reunification of the country at an early date has become the trend of the times which no suppression with bayonets can block.

With these achievements attained in the movement of reunification last year as a basis, this year, our masses should more powerfully wage a nationwide patriotic struggle against the United States and for national salvation, independence, and reunification.

It is believed that above all, this year, our masses should fiercely wage the struggle against the maneuvers of the U.S. imperialists and the No Tae-u group to concoct two Koreas.

The U.S. imperialists and the No Tae-u fascist ring have frantically run wild in cooking up two Koreas since the beginning of the new year to trample underfoot our masses' high-pitch aspirations for reunification and accelerate the permanent division of the nation.

The No Tae-u ring has resorted to all means and methods to open a breakthrough in cross-contact and cross-recognition, conducting propaganda on a northward policy, a splittist scenario given by the U.S. masters.

The northward policy is an outcome of international conspiracy and collusion between the U.S. and Japanese aggressors, who try to make South Korea their permanent colonial and military base by dividing our nation, who have lived in the same land as a single nation generation after generation for thousands of years, into two forever, and the fascist authorities. Also, it is an excuse for the maneuvers to concoct two Koreas.

If our masses fail to check and ruin the scheme of the U.S. and Japanese aggressors and the No Tae-u group to concoct two Koreas, our nation will be divided into two forever and reduced to the victim of the confrontation policy of foreign forces. It is believed that our nation

should check and ruin the scheme of the U.S. and Japanese aggressors and the No Tae-u ring to concoct two Koreas at any cost and accomplish the independent reunification of the fatherland without fail.

Removing the state of tension between the North and South is one of the prerequisites for achieving national reconciliation and unity. Therefore, all war games and arms buildup, which aggravate tension between the North and South, must be stopped to achieve genuine dialogue and reconciliation for reunification.

This notwithstanding, the U.S. aggressors and the No Tae-u military group are trying to further aggravate tension by conducting the "Team Spirit" joint U.S.-South Korean military exercise this year again, thus throwing a wet blanket over our masses' aspirations for reunification and laying an artificial obstacle in the way of dialogue.

Therefore, our masses should raise higher their voices of objection to the "Team Spirit" joint U.S.-South Korean military exercise, which thwarts detente and dialogue, and valiantly wage this struggle by combining it with the antiwar and antinuclear struggle.

Multifaceted contact and dialogue between the masses of all walks of life in the North and South are among the important conditions for paving the way to reunification.

The masses of all walks of life, including youths and students, should smash the No Tae-u group's scheme for a single dialogue channel and conduct an all-people movement to realize multifaceted contact and dialogue.

The National Council of Representatives of University Students has adopted its participation in the 13th World Festival of Youths and Students as its greatest task and has resolved to use its participation as an occasion to spread the consciousness of reunification. The Seoul Council of National and Democratic Movement has also resolved to participate in the Pyongyang festival and make efforts to ease tension between the North and South. This is a very desirable act.

The resolve of youths, students, and democratic organizations to participate in the World Festival of Youths and Students in Pyongyang is enjoying an absolute support and praise among the masses of all walks of life.

However, traitor No Tae-u, at the instigation of the United States, is viciously maneuvering to bar, at any cost, the youths and students from participating in the festival, branding the Pyongyang festival as a gathering which functions as a vanguard of the anti-imperialist international communist movement.

This lays bare that the No Tae-u fascist ring is an outrageous splittist group that does not want North-South dialogue and reunification.

It is believed that in order not to repeatedly see the bitter reality in which they failed to hold the 10 June and the 15 August North-South student talks last year, our masses should accelerate the grand march of reunification to realize a historic meeting between youths and students in the North and South.

Our masses should make sincere efforts for the early convocation of a North-South political consultative meeting between leadership-level people who can speak for the opinions of each party, grouping, and walk of life in the North and South.

A North-South political consultative meeting is a forum for national dialogue where the opinions of the nation can be pooled most easily under the present situation of division, and a reasonable way for reaching a national agreement on the way for reunification.

For this reason, our people should make efforts for the early convocation of a North-South political consultative meeting, where the opinions of our people can be spoken for, in order to effect a new turn in national reunification.

They should more fiercely wage the anti-U.S. struggle for national salvation to wind up the grand march of reunification with victory.

The United States is the ringleader of national division and the cancerous existence to national reunification. The U.S. aggressors undisguisedly express their intention of permanent presence in South Korea, saying that the security of South Korea cannot be guaranteed without the stationing of the U.S. forces. They are also extremely aggravating the situation on the Korean peninsula, clinging to preparations for a war through northward invasion and maneuvers to concoct two Koreas.

All facts confirm that as long as the domination and interference of the U.S. aggressors and their maneuvers for two Koreas continue, our masses cannot look forward to the reunification of the country.

It is believed that under the anti-U.S. banner of national salvation, our masses should more fiercely wage a nationwide anti-U.S. struggle to smash the scheme of the United States for two Koreas and to drive the Yankee aggressors out of this land.

With the No Tae-u military group—which bestially puts down our masses' movement for reunification by following the splittist policy of the United States—left intact, we cannot expect a victorious advance in the movement of reunification.

Therefore, our masses should closely combine the anti-U.S. movement for independence and reunification with the struggle against the military rule.

In particular, our masses should more fiercely wage the struggle to thoroughly bring the irregularities of the Fifth Republic into light and clarify the truth of the Kwangju massacre, focal issues in society, and to punish traitors Chon Tu-hwan and No Tae-u, the ringleaders, in the name of the people.

Only when all masses valiantly wage a nationwide patriotic struggle against the United States and for national salvation, independence, and reunification in firm unity can they drive the U.S. aggressors out of this land and accomplish the reunification of the country without fail.

By fiercely waging the anti-U.S. struggle for national salvation, independence, and reunification, the patriotic masses of all walks of life, who aspire for national reunification, should make this year, the last year of the eighties, shine as a historic year, in which a new epoch in national reunification opens, and as a year of victory in the anti-U.S. movement for national salvation and reunification.

Correction to Labor Experience in South

SK1301130989 The following correction pertains to the item headlined "Labor Experience in South Reviewed," published in the 18 January East Asia DAILY REPORT, page 14-15:

Page 15, column one, second full paragraph, last sentence: ...Province developed into vehement street demonstrations and... (substituting "vehement" for "violent")

South Korea

Radical Students Attack U.S. Office in Kwangju
SK3101083689 Seoul YONHAP in English 0825 GMT
31 Jan 89

[Text] Kwangju, Korea, Jan. 31 (YONHAP)—Radical students hurled firebombs and rocks at the U.S. Cultural Center in this southwestern provincial capital Tuesday.

Riot police on guard in front of the center immediately countered the attack with tear gas. No casualties were reported.

More than 50 students from Chonnam National University dashed out of alleys across the street at 2:15 p.m. (05:15 GMT) and threw some 30 firebombs and numerous rocks at the building.

"Out with Americans who masterminded the Kwangju massacre," shouted the students. "Close down the U.S. Cultural Center in Kwangju. Punish Chon Tu-hwan and No Tae-u."

The attack, coming less than 24 hours after reports that the United States has decided to temporarily close the center, was the second this year.

The first attack on the center this year took place on Jan. 18 when some 50 students armed with sledge hammers and steel pipes stormed the center. The U.S. Cultural Center came under similar attacks four times last year.

Since the Jan. 18 attack, local dissidents and students have demanded closure of the U.S. facility in this city where the bloody military suppression of a 1980 civil uprising left 193 people dead by official count.

Radical students and political dissidents claim the United States allowed the military controlled government to use troops under U.S. operational control to quell the 10-day uprising.

On Monday, press reports said Nicholas Mele, deputy director of the U.S. Information Service in Seoul, came down here and told local opposition politicians that his government has decided to temporarily close the Cultural Center in Kwangju.

Both the U.S. State Department in Washington and the U.S. Information Service in Seoul, however, denied the reports.

The U.S. Information Service in Seoul issued a statement Tuesday saying, "No decision has yet been made to close the center either temporarily or permanently."

The statement said Mele's remarks were "misinterpreted." The statement added, however, the matter was under study.

U.S. State Department spokesman Charles Redman said in Washington that the United States has been seeking promises from South Korean authorities of adequate protection for the center and its staff.

Full Inspection of APO Parcels Expected
SK3001052089 Seoul YONHAP in English 0505 GMT 30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—The South Korean Government will demand the United States that postal parcels addressed to U.S. soldiers through the U.S. Army Post Office (APO) be fully inspected by the Korea Customs Administration, Korean officials said Monday.

The request, to prevent the possible smuggling by U.S. soldiers, will be made at a meeting of a Korea-U.S. subcommittee assigned to review special areas of the Status of Forces Agreement (SOFA), the officials said.

They suggested the meeting will be held in February.

Korean and U.S. negotiators, during their second meeting to review the SOFA on Jan. 20, agreed to set up special panels on such specific issues as facilities and areas, criminal jurisdiction, labor, customs and duties.

Smuggling by U.S. servicemen through APO is a problem as the Korean Customs Administration has been allowed to inspect only less than 10 percent of the APO postal parcels.

The Korean Government, according to the officials, has unofficially stated its position that it should exercise inspection rights over postal parcels sent to U.S. soldiers in Korea as part of steps to prevent smuggling.

The United States, however, has been strongly opposed to the move on the grounds that inspection of the parcels could cause "problems," including delayed delivery, the officials said.

The U.S. side has also rejected a request that APO postal parcels be put through X-ray detectors by the Korean Customs Administration, the officials said.

They expressed optimism on the postal parcel issue, noting that the U.S. side appeared ready to affirmatively cope with issues raised by the Korean Government during the meetings on revising the SOFA.

Korea and the United States began negotiations on Dec. 16 last year at the U.S. Army compound in Yongsan, central Seoul, to review the SOFA for the first time since it was signed in 1956.

South Korea has claimed that some SOFA articles, such as those governing criminal jurisdiction over U.S. military personnel stationed in Korea, are unfair.

Trawlers Make 'False Reports' Before Seizure
SK3101020089 Seoul THE KOREA HERALD in English 31 Jan 89 p 3

[Text] Incheon—The two south Korean fishing boats taken to north Korea Saturday allegedly sent "false" cables to the maritime police here about where they were fishing.

The two boats radioed the police that they were fishing in waters near Hong-To, an island off the west coast, whereas they are believed to have been near Paengnyong Island near the border between south and north Korea, said maritime police sources.

They said yesterday the two boats left here Jan. 23, saying that they would catch skate and crawfish in waters near Sohuk-san-to, and return to this port on Feb. 21. The island is south of Hong-to not far from Mokpo Port in Chollanam-to.

The boats had allegedly since sent two cables every day, at 8 a.m. and 2 p.m., to authorities saying they were engaged in fishing operations near Sohuk-san-to, according to the sources.

The "false" cables were confirmed by radioman Hong Ung-pyo who got off the Taeyang-ho No. 37 shortly before it was taken to north Korea, the sources said.

It was not known why the boats "falsified" the location of their operation.

It is customary for south Korean boats to be accompanied by Navy patrol boats when they fish near north Korean waters.

The Office of Fishing Administration announced Saturday that the two vessels in question were on the high seas some 30 miles west of Paengnyong-to, when they were abducted at about 12:20 p.m. that day.

Twenty-two people were aboard the trawlers, both weighing 101 tons.

The incident was the first after the Defense Ministry eased restrictions on fishing operations near the border last November.

Return of Boats Urged

SK3101020689 Seoul THE KOREA HERALD
in English 31 Jan 89 p 8

[Editorial: "Seizure of Fishing Boats"]

[Text] The seizure of two south Korean fishing boats by north Korea this weekend is yet another example of Pyongyang's long history of duplicity.

Just as our expectations of reconciliation with the north have been raised by a series of positive steps, the north Korean Communist regime, betraying all recent good will, has once again unmasked its militant nature.

The abduction of the two vessels, both peacefully engaged in fishing in neutral waters off the west coast, is not new. Since 1945, there have been some 500 instances reported of north Korean seizures of south Korean fishing boats. More than 30 south Korean vessels and some 450 fishermen are currently being held captive in the north.

It is indeed disillusioning to see north Korea behave contrary to its outward pacification gestures. Only two weeks ago, Pyongyang accepted Seoul's offer for prime ministers' talks in a qualified departure from its usual practice of balking at one proposal after another on a variety of pretext. Seoul has regarded the prime ministers' meeting as an encouraging sign that Pyongyang, at long last, has turned the corner toward inter-Korea detente.

The latest provocation is enough to lay bare the true nature of the north Korean Communists. The recent launching by Pyongyang of high-powered FM broadcasts spewing anti-south Korean propaganda aimed at south Korean audiences belies their professed intention of conciliation.

Our surest way to insure our peace efforts is to convince Pyongyang that any reckless violent attempt will prove futile and self-destructive. Although the long-cherished desire of the Korean people, on both sides of the demarcation line, for peaceful coexistence and eventual reunification deserves to be readily prepared to cope with any challenge from the north in an effective manner.

North Korea is once again called upon to abandon its anachronistic scheme against south Korea for the sake of peace on the Korean peninsula. Abducting fishing boats in peaceful operation is a despicable and inhumane act which no excuse, however plausible it might sound, can justify. Pyongyang must return the abducted fishing boats and crewmen without further delay. Doing so will be the only option for it unless it is ready to be blamed for upsetting the precious opportunity to reconcile the divided peninsula.

Red Cross Seeks Fishermen Release

SK3101062589 Seoul YONHAP in English 0601 GMT
31 Jan 89

[Text] Seoul Jan. 31 (YONHAP)—South Korea's National Red Cross [KNRC] has asked its counterpart in North Korea to help repatriate the 21 fishermen and the two fishing boats seized Saturday by a North Korean patrol ship.

The Office of Fishing Administration announced Saturday that the two vessels were fishing on the high seas some 48 kilometers west of Paengnyong-to, a South Korean island near the truce line dividing the two Koreas, when they were abducted.

KNRC President Kim Sang-Hyop said in a telephone notice to Son Song-pil, North Korea Red Cross president: "We heartily request you to help us so that the fishermen of the "No. 37 Taeyang-ho" and the "No. 38 Taeyang-ho" may soon be back home. The families of the victims appealed to us to request help from your organization.

"We would greatly appreciate it if you (North Korea Red Cross) would cooperate with us in accordance with the spirit of humanism and fraternal love at this time as a reconciliatory and cooperative mood is being developed between the South and the North," Kim said in the notice.

Kim also asked the North Korea Red Cross to ease the plight of the "No. 27 Dongjin-ho" and its 11 crewmen, taken to North Korea while fishing on the high seas Jan. 15, 1987.

Paek Ki-wan Interviewed on Unification Issue
SK2301081089 Seoul ILYO SINMUN in Korean
15 Jan 89 p 2

[Interview with Paek Ki-wan, director of the Unification Institute, by reporter Kim Sang-ton—date and place not given]

[Text] As we enter 1989, discussion of the unification issue resounds from what seems like every corner of the land. The outlook is for a series of concrete working-level contacts with North Korea.

One special example is the visit by honorary Hyundai Group Chairman Chong Chu-yong first to the Soviet Union and then, later in the month, to North Korea, where he is expected to discuss a Mt Diamond development scheme. Chong's visit suggests an increased possibility of civilian economic exchanges with North Korea.

Beyond Chong's visit, North and South have agreed to hold the eighth preparatory contact for legislative talks on 10 February; and the South Korean side has proposed holding senior official talks (prime minister-level talks) in early February, reopening economic talks with a sixth round of meetings in late February, holding sports talks on 9 March, and reviving Red Cross talks in a round to be held before the middle of March.

For its part, the North Korean side has proposed deputy prime minister-level political and military talks, three-party talks (North and South Korea and the United States), and working-level contacts in March for the 13th annual world youth festival. We seem to be in a position where we have no choice but hold talks with North Korea more frequently in 1989 than in any previous year.

Moreover, domestic discussion of the unification issue has bloomed like a profusion of garden flowers in the wake of an idea surfaced by Kim Il-song in his New Year's speech for a "North-South political negotiation conference" to be attended by leading social figures of both the North and South.

Kim Il-song invited Mr Paek Ki-wan and Reverend Mun Tong-hwan from our dissident community to attend the proposed conference. This invitation, of course, was seen as an attempt to undermine the South Korean Government's exclusive control of the North-South dialogue.

Let's listen to the dissident community's views on unification, an issue they support vigorously, as expressed by Mr Paek Ki-wan, director of the Unification Institute and a man known as the "grandfather of the unification issue."

To Enunciate Official Position After Consulting With Minister Mun

Reporter: On 1 January 1989, Kim Il-song proposed a "North-South political negotiation conference" to be attended by leaders of various fields from both North and South, a move related to the dialogue between North and South and to the larger issue of unification. What is your position on Kim Il-song's invitation to you, as a leader of the dissident community, to attend this conference?

Paek Ki-wan: I welcome the invitation unreservedly, because although Kim Il-song invited as key participants in the discussion a number of figures who have vested interests in this period of national division, his proposed conference takes the form of political talks of the masses. Beyond that characterization, an expression of our official position must await consultations between Rev Mun Ik-hwan and me.

Reporter: The government and the ruling party and even the opposition parties rushed to reject Kim Il-song's New Year's proposal.

Paek Ki-wan: I regard that as revealing the limitations of establishment politicians. Establishment politicians are unable to break out of the ingrained habit of preserving vested interests; and, since their views of unification rest on preserving vested interests, I think they pervert the legitimate path to unification and perpetuate national division. Thus, the debate on national unification must be pushed beyond the limits imposed by both the ruling and the opposition parties.

Reporter: Do you mean, then, that the unification debate under way in the establishment is completely without meaning?

Paek Ki-wan: Throughout the 44 years since this country was divided, the establishment has exploited the unification issue solely for the security of the regime. The cold war fought by the United States and the Soviet Union smashed the Korean peninsula into two pieces. To unite those pieces, we must regard "unification as an issue of the masses," and we must hone the masses' capacity for self-reliance [chuche]. The present government is only now bustling noisily about as if actively pursuing the unification discussion, but they do so in response to changes in the international political situation and to demands by the Korean masses. We must bear in mind, however, that discussions of the unification issue that are triggered by the international environment can never propel us down the legitimate road to unification. In spite of that, however, the opposition's attitude toward the current program does not differ a bit from that of the government.

Reporter: As we enter 1989, the Soviet Union and East bloc countries are actively pursuing economic exchanges with us and want to establish permanent representatives'

offices in Seoul. Meanwhile, moves to improve relations with North Korea are spreading rapidly, even including discussions on the development of Mt Diamond. Ordinary Koreans are crediting these developments to President No Tae-u's nordpolitik.

Paek Ki-wan: The nature of these developments is such that the No regime cannot take credit for them. To repeat, the thaw in the relationship between the East bloc, including the Soviet Union, on the one hand and ourselves on the other is merely an expression of super-power national interest. The international political situation demands the demilitarization of the Korean peninsula or at least the reduction of military power here, so the No regime must inevitably establish trade and diplomatic relations with these countries.

Reporter: What basis do you have for that conclusion?

Paek Ki-wan: One good example is the government's energetic oppression of the labor movement lately. Oppression of the labor movement results from the power circle's obligation to preserve the regime, and I would like to say that the example of that labor oppression will go a long way toward causing the masses to embrace the grand hypothesis that unification amounts to liberation of the masses themselves. Thus, the No regime's hunger for unification is deficient, and one can predict that perpetuation of national division will persist.

All Internal Barriers Must Be Removed

Reporter: What extra-establishment unification approaches do you regard as viable?

Paek Ki-wan: The establishment perceives the unification issue solely on the basis of abilities and policies, but in the process they are ignoring the fundamental problem. I think that is their essential blunder. My point is that the problem of Korean division results from strong oppression by outside powers. The only appropriate solution to national division is based on the precondition of self-reliance for our masses. Thus, my position is that unification hinges on three domestic elements. Unification will be possible only when the masses are liberated politically via the removal of military dictatorship, economically via the eradication of a subsidiary economy, and militarily via enrollment in the world defense strategy.

Reporter: One academician breaks the unification issue into three factors, an international element, the differing structures in North and South Korea, and elements internal to South Korea. This academician theorized that when developments in these three factors occurred simultaneously the grand prize of national unification could be achieved. The international sector would have to see changes in the national interests of the great powers concerned with the Korean peninsula; the ideological gap between North and South Korea would have

to narrow; and domestically, an atmosphere for unification would have to build a full head of steam. Doesn't some of his theory coincide with the views of unification common in the dissident community?

Paek Ki-wan: Certainly one could divide the issue into those three elements. But I think the self-reliant consolidation of power flowing from liberation of the masses would serve to solve the other two problems, the great states' interests in the Korean peninsula and the gap between the ideologies of North and South Korea. Of course, as your question suggests, I could desire nothing more than to see changes in all three of those factors converge in such a way as to realize the goal of unification. From a realistic point of view, however, I think that the first phase of unification urgently requires that the masses' self-reliance be attained. This self-reliance will trigger a flood of domestic demand for unification.

Reporter: You are defining the dissident community's unification doctrine as a "theory of liberation of the masses." How do you view mutual recognition of North and South? Replacing the armistice with a peace treaty? Reduction in military spending?

Paek Ki-wan: To achieve unification, we must liquidate the military dictatorship I've mentioned, we must liquidate the foreign monopoly capital which dominates our subsidiary economy, and we must reverse the militarization of our industry. To accomplish these things, we must cause nuclear weapons to be removed from the Korean peninsula, and we must systematically alter the military confrontation prevailing here. Concluding a peace treaty and reducing arms spending are good examples of steps we could take to do that. I am absolutely opposed to the mutual recognition of North and South as promoted by the great powers. Mutual recognition and the subsequent international acceptance of two states on the Korean peninsula would serve as a means of legitimizing a permanent national division of the most perverse possible variety because it is based on an appeal to base nationalism.

Let's Go On to Political Struggle

Reporter: In June 1988, National Unification Board Minister Yi Yong-ku defined the form for a unified Korean state with the words: The framework for the government's reunification program is neither a confederation nor a league of nations but a league of systems. It seems to me that the league of systems idea is basically different from previous approaches, like mutual recognition or a league of nations, because it suggests a transitional nature.

Paek Ki-wan: Whether a league of nations or a league of systems, I cannot accept the formulation of any reunification program whatsoever which defines North and South Korea as separate states. To repeat, my position is that it was the cold war that produced two individual governments or two separate states, not the free will of

the Korean people. It is in no way acceptable, therefore, for North Korea or South Korea to seek international recognition as separate states. I reject utterly any theory of reunification based on nationalism.

Reporter: What plans do you have for the concrete realization of the dissident community's reunification program?

Paek Ki-wan: The reunification theory that will serve to galvanize the masses must pull them to self-renewal, must pull them from preoccupation with human rights and the people's movement to a preoccupation with political struggle. For example, we must put together a political organization, such as the creation of a political party of the masses, that will enable the masses to contemplate the day when a regime of the masses may win power.

Reporter: On the human dimension, what do you think is necessary in regard to desires for reunification?

Paek Ki-wan: In a word, the No regime's reunification program amounts to nothing more than concern for the regime's security. The fact is that the No government uses its reunification program as a mere expedient designed to influence public opinion. The program bears no resemblance to the legitimate path to reunification. To achieve reunification in the face of this program, the first requirement is that we must recognize that reunification cannot be realized by catering to vested interests that have entrenched themselves in an environment of national division. We must recognize that reunification is a problem of the masses. Second, we must completely reject national division itself as an alternative because national division was visited upon the Korean nation as an outcome of the cold war between the United States and the Soviet Union. We must start with the conviction that a divided country is not a country.

North Minister Comments on Joint Ventures
SK2901061589 Seoul THE KOREA TIMES in English
29 Jan 89 p 1

[By correspondent Kim Sung-ung]

[Text] Davos, Switzerland—Chae Hui-chong, North Korean minister for joint venture and industry, Friday expressed his hopes for joint venture projects between South and North Korea.

In a brief meeting with reporters here, Chae said, "There is no reason for not undertaking joint venture businesses between our people at a time when joint ventures are being made with Korean residents overseas and foreign enterprises."

But, he said that an atmosphere should be created to resume inter-Korean economic talks as a prerequisite for realizing joint venture projects. He made the remarks prior to his meeting with Deputy Premier-Economic

Planning Minister Cho Sun. Both are here to attend the informal gathering of world economic leaders arranged by the World Economic Forum.

When asked about reports that the north has recently seen many changes, Chae commented, "Nothing is to be changed."

As for the purpose of his participation in the world economic leaders meeting, he said, "I am here to seek joint ventures and to expand 'economic exchanges' through contacts with world businessmen."

This statement reflects that North Korea has been making considerable changes internally while opening its markets, according to economic experts here.

Chae met Cho at a dinner reception hosted by Finland's prime minister Friday for world economic leaders.

This is the first meeting between South and North Korean economic ministers at an international economic meeting since the Korean peninsula was divided in the late 1940s.

The two economic ministers encouraged each other to produce good results in the international meeting during their 15-minute private talks before the close of the dinner.

But, they said they did not talk about pending issues such as resuming the inter-Korean economic conference and economic exchanges.

Chae is attending the Davos gathering as an observer, leading a five-member delegation.

He is scheduled to explain about North Korea's joint venture promotion programs to business leaders Monday after the three-day gathering ends Sunday.

Caution Against Indiscreet Competition in Trade
SK3101013089 Seoul THE KOREA TIMES in English
31 Jan 89 p 6

["News in Review" by economic editor Han Kon-chu: "Trade With North Korea Needs Cautious Approach"]

[Text] Economic and trade exchanges between South and North Korea will be sure to expand in one forum or another in coming days.

Chong Chu-yong, founder and honorary chairman of the Hyundai Business Group, is now in North Korea to discuss with northern officials ways to cooperate in land development projects and economic exchanges as well as joint venture possibilities.

Deputy Premier-Economic Planning Minister Cho Sun and North Korean minister for joint venture and industry, Chae Hui-chong, had a chance to exchange views on

economic cooperation between the two Koreas on the occasion of an informal gathering of world economic leaders in Davos, Switzerland, Friday evening.

In fact, the government's "Northern Policy," spurred by the 1988 Summer Olympic Games held in Seoul last September, has developed at a more rapid pace than expected.

Seoul newspapers have recently covered almost daily developments in ties with North Korea, Soviet Union, China and East European countries.

Since the policy change in October last year, the government has allowed trips to North Korea for business talks and invitation of North Korean businessmen to the South.

Trade between the two Koreas had previously been almost nil except for small amounts of coal imported sporadically between 1979 and 1983. However, since October, South Korean firms have bought small amounts of seafood and porcelain from the north and are seeking to expand imports of natural resources including coal, bronze and fisheries products.

Small trade deals have been struck recently between the two Koreas. Goldstar Co., for example, is exporting 50,000 color TV sets to the north on a barter basis.

Analysts believe North Korea invited Chong Chu-yong, honorary chairman of the Federation of Korean Industries, to help revive a sagging economy that has foreign debts estimated at \$5 billion. North Korea adopted a joint venture law in 1984, but so far has failed to lure foreign investment.

Business experts predicted that North Korea would be forced to send its businessmen to the south in the near future. They are not optimistic however, over substantial expansion of economic and trade exchanges with North Korea in the immediate future.

In view of reports that Pyongyang has suggested the import of various types of trucks to visiting Hyundai founder Chong, some analysts reminded the South of the "stark reality" of Moscow's continuing supply of modern weapons to North Korea.

The North's overture of the import of trucks is in sharp contrast to South Korea's recent importing of northern artistic works.

They warned that in the background hovers North Korean schemes to seek the chance to communize the Korean peninsula. The Communists in the North are sticking to only political negotiations at the government-to-government level.

In the meantime, riding on the current government drive to promote relations with the Communist bloc, business groups plan to build joint venture factories in Vietnam, China and the Soviet Union this year, while Samsung Electronics Co. will set up a joint venture factory in Shenzhen, China, with Funny Electronics of Hong Kong to produce radio-cassette players. Goldstar is expected to establish a joint venture in China for the production of color TV sets.

South Korea's trade with China neared \$3 billion in 1988, up from about \$1.7 billion in 1987. Trade with the Soviet Union came to more than \$200 million, up from \$200 million. South Korean firms have opened 10 or so joint ventures in China, producing such goods as color TV tubes, pianos and refrigerators. Jindo Furs hopes to make fur coats in Siberia, and Daewoo Corp. plans to invest in building a hotel in Moscow, settling up a hotel chain in several Communist nations, including Hungary and China. Seoul recently has made big strides in opening trade and other non-political links with Communist nations.

Industry sources, however, said that concerns loom that overheated competition among rival companies could have detrimental effects on the national economy.

Indiscreet competition in the process of setting up joint ventures with socialist countries could lead to an outflow of know-how and technology, causing long-term damage to Korean companies engaging in the same business, they warned.

Of course, South Korea needs to maintain good relations with Communist nations. But, Korea will have to turn more attention to its faithful, long-term allies. The "peaceful" and camouflaged schemes of some Communist nations must not be covered up by the wave of enthusiasm for trade with them.

North To Send Invitations to Political Leaders
SK2901031289 Seoul THE KOREA TIMES in English
29 Jan 89 p 2

[Text] North Korea yesterday notified South Korea in a telephone message that it would send letters Monday to the south's ruling and opposition leaders inviting them to Pyongyang for "political" talks on national reunification, the National Unification Board (NUB) said.

The letters, credited to Ho Tam, head of the North Korean preparatory committee on the inter-Korean political talks, will be delivered to the southern side at the truce village of Panmunjom Monday morning.

North Korea will repeatedly recall its leader Kim Il-sung's demands in his New Year address that the two Koreas open talks on national reunification on the northern concept of confederacy, an NUB official said.

In the address, Kim singled out seven southern leaders, including President No Tae-u and three opposition leaders, to invite them to Pyongyang for the reunification talks. No was invited in his capacity as president of the governing Democratic Justice Party. Three other invitees were Stephen Cardinal Kim Su-hwan, dissident figure Paek Ki-wan, and Rev. Mun Ik-hwan.

Kim Tae-chung, Kim Yong-sam and Kim Chong-pil have all rejected the northern proposal, terming it "unrealistic and propagandistic."

Companies To Begin Direct Imports of North's Goods
SK3101035089 Seoul YONHAP in English 0301 GMT 31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—South Korean companies, for the first time in 36 years, are to begin direct imports of North Korean goods in February.

Samsung Co. will have a French firm deliver frozen pollack directly from the North Korean port of Hungnam, and Samsung and two other general trading houses are seeking ways to directly import anthracite.

South and North Korea to date have resorted to indirect routes, usually transshipping goods in ports of third countries, to import products made in the other part of Korea.

Samsung Co. plans to employ IFA Food A.S. of France to ship 1,000 tons of frozen pollack from North Korea next month. The French ship is to sail directly from the North to Pusan or another South Korean port on the East Coast.

A business source said the pollack could spoil if their shipment took a long time or passed through a tropical zone.

Three general trade companies—Ssangyong, Hyosung, and Samsung—plan to import 20,00 tons each of anthracite from North Korea in February through middlemen in third countries.

The middlemen prefer direct transportation of the coal to save shipping costs, the source said. The three Korean firms will purchase the North Korean ores on a cost, insurance and freight basis, while North Korea is to ship them free-on-board.

Seoul's imports from Pyongyang, while still indirect, have boomed since last July, when President No Tae-u vowed to permit trade with the communist North.

All the imports from the North so far have been brought in on container ships via third countries, necessitating a lengthy delivery period.

North Korean Trade Volume Increases in 1987
SK2901013089 Seoul THE KOREA HERALD in English 29 Jan 89 p 6

[Text] North Korea exported \$1,464 million worth of goods and imported \$2,076 million worth of goods in 1987, a South Korean economic organization said yesterday.

The Korea Foreign Trade Association [KFTA] said Pyongyang's exports in 1987 grew 11.1 percent over the previous year while imports increased 14.5 percent.

Figures on North Korea's external trade were compiled from statistics on North Korea's 33 trading partners, the KFTA said.

North Korea's trade, \$3,540 million, was 4 percent of South Korean trade, which registered \$88,301 million.

Exports to the Soviet Union, valued at \$683 million, accounted for 46.7 percent of North Korea's total exports, the KFTA said.

North Korean exports to the Communist bloc declined 2.5 percent while exports to non-Communist nations, including Japan and the European Community, rose 49.6 percent, it said.

More than 60 percent of North Korean imports, it said, came from the Soviet Union.

North Korea's major items for export were primary products, it said.

North Korea, it said, imports chemicals, textiles, paper, metals, electric and electronics products, autos and other manufactured goods.

As an initial step of inter-Korea economic cooperation, it suggested South Korea trade rice and seaweed for North Korean anthracite and fisheries products.

Hyundai To Trade Sweaters for Fish With North
SK3001091389 Seoul YONHAP in English 0907 GMT 30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—Hyundai Corp., trading arm of South Korea's Hyundai Group, will import North Korean marine products in exchange for sweaters, officials at the Trade and Industry Ministry said Monday.

In the first barter trade between the South and North, Hyundai plans to import 111,520 U.S. dollars worth of North Korean marine products including 10 tons of frozen pollack (8,480 dollars), 20 tons of half-dried pollack (38,560 dollars) and salted roes of pollack (64,480 dollars), while exporting 5,000 winter sweaters worth 68,000 dollars. The company will pay the balance of about 43,000 dollars in cash.

Shipment of the North Korean marine products is scheduled for the beginning of February, and of Hyundai's sweaters for the next month. The trade will be accomplished by Japan's Zuiho Co., the officials said.

Meanwhile, the ministry decided over the weekend to allow Daewoo Corp. to handle 84 North Korean art works that were introduced Jan. 3 but have not yet been released by customs, based on the guidelines which the Culture and Information Ministry plans to prepare in February.

North Pharmacognosists To Be Invited to Seminar
SK2501004489 Seoul THE KOREA TIMES in English
25 Jan 89 p 1

[Text] Three to four North Korean pharmacognosists have been invited to an international symposium on crude drugs to be held in Seoul on May 2-3 under the auspices of the Korean Pharmacognosy Society.

KPS president Yi In-nan told The Korea Times in a telephone interview yesterday that the two-day symposium will also draw scholars from the United States, Japan, Britain, China, the Soviet Union and Switzerland.

Prof. Yi, who is teaching at Ewha Womans University, said her society had already won an Education Ministry approval for the North Korean presence and sent a formal invitation through a Red Cross channel to the Oriental Medicine and Science Institute under the wing of the North Korean Health Ministry.

No Urges More North-South Cultural Exchanges
SK2501005489 Seoul THE KOREA TIMES in English
25 Jan 89 p 2

[Text] President No Tae-u yesterday directed the Culture-Information Ministry to energetically push cultural exchanges between South and North Korea in a bid to ease cultural heterogeneity resulting from four decades of division.

No handed down the instruction during a New Year business briefing by Culture-Information Minister Choe Pyong-yol at Chongwadae, stressing, "The restoration of the cultural homogeneity should go ahead of national unification."

However, No said that it is "dangerous" to promote inter-Korean cultural exchanges in a reckless manner prodded by sentimentalism, emphasizing the need to take a cool-headed approach in a "systematic and comprehensive" way.

To this end, No told Minister Choe that the organization of a council on promotion of inter-Korean cultural exchanges, both by the government and private bodies, should be studied.

Touching on the necessity of positive publicity of the government policies, No said that the government should make prompt efforts to correct false news reports which caused people's misunderstanding.

He also noted that the government has to establish a new relationship with the mass media, befitting changes in the situation, with a deep repentance of the past policy aimed at controlling the press.

Artists To Invite North Counterparts to Congress
SK2801032488 Seoul THE KOREA TIMES in English
28 Jan 89 p 9

[Excerpts] The newly-born Minyecheon (Federation of Nationalistic Artists of Korea) plans to sponsor a Third World artists' meet in Seoul this year. About 20 artists from the Third World including North Korea will be invited to the event some time in the latter half of the year, the federation said in a press conference yesterday. [passage omitted]

Minyecheon, a body created in December by progressive artists dissatisfied with the activities of the existing Yechong (Federation of Artistic and Cultural Organizations of Korea) will dispatch its executive members to Japan to arrange North Korean artists' visit to the south through a third party. [passage omitted]

Ko Un, president of the neonate body, said that his organization would play the leading role in undertaking cultural exchanges with North Korean artists.

He pointed out, "Since reciprocal visits between South and North Korean artists in 1980 were organized by the two governments, both regimes tried to use the occasion to display the supremacy and authenticity of their respective cultures and arts to the other."

"We will work in a way helping artists from the two sides exchange artistic activities on an equal footing," he said.

Touching on the previous government's infringement on freedom of artistic activities, Ko, an activist poet, said that Minyecheon would struggle to get back artistic works confiscated by the Chon Tu-hwan government and now gathering dust in the warehouse of the Culture-Information Ministry.

He also urged the government to dissolve the Korean Culture and Arts Foundation and the Korea Broadcasting Advertising Corporation and make a fair distribution of the Culture and Arts Promotion Fund to civilian groups engaging in cultural and artistic activities.

He further said that his federation would launch a special committee to investigate whether money raised by the members of the existing Yechong has been properly used and make public the result of the probe.

Minyechong office will open in five big cities such as Taegu, Kwangju and Pusan as well as Seoul, according to president Ko.

The progressive artists' federation will launch a struggling committee for basic human rights and publish a weekly for the public as well as bulletin for own members.

President Ko also called for the enactment of a law concerning the import of films and the abolition of controversial culture-related laws such as the Public Performance Law, Recording Law and Motion Picture Law and the dissolution of the Performance Ethics Committee.

Vietnamese Ships Seek To Transport Cargo
SK3101012889 Seoul THE KOREA TIMES in English
31 Jan 89 p 6

[Text] A Vietnamese state-run shipping company has recently expressed its hope to transport trade cargoes between South and North Korea.

Shipping sources said yesterday that to high-ranking officials of Viet Fracht visited Seoul in middle of this month at the invitation of the Tongbo Shipping Co.

The two officials were Vo Nhat Thang, deputy general director of the Vietnamese state-run shipping company, and general manager N. Tuong.

During their 10-day stay here through Jan. 23, the Vietnamese shipping officials discussed with the authorities concerned participation in trade between South and North Korea, the sources said.

The Vietnamese also requested loans from local banks for the construction of ships and purchase of used ships from Korea and called for local shipping companies to employ their seamen, the sources said.

But, their offer will hardly be realized as there is no diplomatic relations between the two countries.

Viet Fracht and Tongbo reportedly signed an agent service contract. The Vietnamese shipping company is also seeking a joint venture with Hung-A Shipping, mother company of Tongbo, for a direct sea route service between Korea and Vietnam.

Now, trade cargoes between the two countries are transported by Japanese ships on a regular basis, once a month.

On the other hand, Yukong Line Agency plans to sign an agent service contract with another Vietnamese state-run shipping firm, Vietnamese Ocean Shipping Co., tomorrow for irregular shipping service two or three times a month.

Reportage on Visit of Australia's Hawke

Prime Minister Arrives
SK2901085989 Seoul YONHAP in English 0855 GMT
29 Jan 89

[Text] Seoul, Jan. 29 (YONHAP)—Australian Prime Minister Robert James Hawke flew into Seoul Sunday for a four-day official visit on the first leg of his four-nation Asian tour.

Hawke will have a summit talks with President No Tae-u Monday to discuss further promotion of friendly ties between Australia and South Korea in the economic, diplomatic, cultural and other fields.

Hawke and No will also exchange their views on political developments in East Asia and South Pacific region.

While in Seoul on a return visit to No's official visit to Australia in November last year, Hawke is also scheduled to meet with Prime Minister Kang Yong-hun and Korean business leaders.

After his Seoul visit, Hawke will visit Thailand, Pakistan, and India.

No Tae-u, Hawke Meet
SK3001073789 Seoul YONHAP in English 0727 GMT
30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—President No Tae-u and Australian Prime Minister Robert James Hawke agreed Monday [30 January] to work together to reduce tensions on the Korean peninsula.

Hawke said Australia will closely cooperate with South Korea in its efforts to improve relations with North Korea.

The agreements were reached in a summit meeting in which No and Hawke discussed a broad range of issues of mutual concern, including economic exchanges, cooperation and the current situation in the Asia-Pacific region, presidential spokesman Yi Su-chung said.

Hawke, who arrived here Sunday for a four-day official visit, first visited Seoul in April 1982. He is accompanied by his wife and a 24-member entourage.

The two leaders agreed to hold the inaugural session of the South Korea-Australia consultative body in the second half of this year, Yi said.

South Korea and Australia agreed to set up the consultative body during No's state visit to Canberra last November.

In the summit, which lasted over two hours, No and Hawke also agreed to soon conclude an aviation accord and open a direct air service between Seoul and Sydney this year, Yi said.

The two leaders agreed that their countries will promote free trade and expressed their concern over the growth of protectionism, including a move for the integration of the European Economic Community, Yi said.

They also agreed to promote joint-venture investments between the two countries and push plans for joint development of coal, iron ore and aluminum.

No pledged that South Korea will endeavor to gradually open its domestic market wider to agricultural products, including beef, while demanding that Canberra take steps to lower trade barriers by, among other things, reducing tariffs on South Korean products.

The Australian premier reaffirmed that Canberra strongly supports Seoul's "Northern policy," President No's diplomatic initiative to improve relations with socialist countries, Yi said.

Touching on regional matters, No and Hawke welcomed the positive stance exhibited by the Soviet Union in the Asia-Pacific region, he said.

The summit was followed by a joint meeting attended by high-ranking officials from the two countries, including foreign Minister Choe Ho-Chung and Mike Koddy, Australian secretary of the Department of Prime Minister and Cabinet. No was to host a state dinner in honor of the Australian head of government Monday evening at Chongwadae, the presidential residence.

Agree To Form Regional Economic Body
SK3001091689 Seoul YONHAP in English 0851 GMT
30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—President No Tae-u and Australian Prime Minister Robert James Hawke agreed Monday to establish a regional economic council to promote economic cooperation among Asia-Pacific countries.

"To cope positively with a new international economic order characterized by growing protectionism, the two leaders shared the view that it is desirable to set up a regional economic council among Asian and Pacific countries," presidential spokesman Yi Su-chong said.

In their summit meeting at Chongwadae, presidential residence, No and Hawke agreed that the two countries will push for the establishment of the council after sounding out other countries on participation, the spokesman said.

"The council will not be aimed at forming a regional economic bloc such as the European Economic Community, but will be designed to tackle positively new international economic circumstances," Yi said.

He also expressed the hope that the council will be a forum for top leaders in the region, saying, "the two countries will push for a ministerial-level meeting among Asian-Pacific countries prior to a summit-level gathering for the establishment of the council."

The two leaders also agreed to hold in October an inaugural session of the Korea-Australia forum to discuss the future direction of relations between the two countries, Yi said. No and Hawke agreed to establish the forum when No visited Canberra last November.

Hawke flew into Seoul Sunday for a four-day official visit.

No Tae-u Hosts Dinner for Hawke
SK3001121389 Seoul YONHAP in English 1200 GMT
30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—President No Tae-u called Monday for closer cooperation between South Korea and Australia to ensure durable peace and prosperity in the Pacific rim.

"The international situation today requires our two countries to cooperate even more closely than ever. We must work together to ensure that the world trend toward increasing openness and reconciliation will contribute to durable peace and prosperity in this region," No said.

In a speech at the dinner he hosted honoring Australian Prime Minister Robert Hawke, No said the proposed establishment of the Korea-Australia forum will not only further promote trade and economic cooperation between the two countries but also boost exchanges in cultural, civic, educational, scientific and technological fields.

He pointed out that the bilateral relations have made spectacular progress, including over 40 percent of annual increase of trade volume that reached 2.7 billion U.S. dollars in 1988.

"While pursuing our shared values of freedom and democracy, our two nations have been developing a close partnership in the quest for common prosperity and progress," he said.

In response, Hawke admired what he called "the emergence of the democratic processes" in South Korea.

"Events over the last few months in your country have dramatic and encouraging," Hawke said, "You (No) have undertaken further measures to enhance democracy and human rights in the Republic of Korea."

"The road you have chosen may not be an easy one but it is, I believe, an essential one and one which will contribute significantly not only to progress with Korea but to peace and stability in the wider region," he added.

Hawke also applauded No for "the forward-looking sweep of new 'northern policy'" which he said has the potential to benefit the whole region.

"It is particularly appropriate at this time of increasingly constructive dialogue between the major powers, the United States, the Soviet Union and China," he said.

Hawke expressed his country's willingness to build further the already healthy economic cooperation and to seek for opportunities for joint activity across a range of areas, including the manufacturing and services sectors, with South Korea.

He said the difficulties in the bilateral trade like Australia's anti-dumping actions and South Korea's import ban on beef should be resolved in a framework of an open international trading environment.

In addition, Hawke said the Korean community in Australia, numbering some 12,000 people, has made a valued and important contribution to his country.

"We are determined that our immigration selection procedures will remain free of any taint of discrimination on grounds of race," he said.

Hawke Says No Ties With North Planned
SK3101130789 Seoul YONHAP in English 1248 GMT 31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—Australia has no intention of restoring diplomatic relations with North Korea soon, Prime Minister Robert Hawke said Tuesday.

In a press conference rounding up his official visit here, Hawke said his government will not restore the diplomatic ties with Pyongyang unless "satisfactory" progresses are made in inter-Korean relations.

Hawke, who arrived in Seoul Sunday for a four-day visit on the first leg of his four-nation Asian tour, disclosed that two Australian diplomats visited Pyongyang in early January for trade talks and that the Australian ambassador to Beijing had a contact with his North Korean counterpart on Jan. 26.

Hawke revealed that President No Tae-U encouraged the Australian Government's efforts to increase contacts with North Korea during his official visit to Canberra in last November.

Hawke said, however, the contacts do not mean that his government will soon restore diplomatic ties with North Korea.

Hawke added, however, that his country will maintain the economic cooperative ties with North Korea, contending that it is not desirable to leave the North to stick to its isolation policy.

Australia and North Korea set up diplomatic ties in 1974, but North Korea withdrew its diplomats from Australia a year later in protest against Australia's support of South Korea at a United Nations forum.

In addition, Hawke said that an investigation is under way in Australia to locate the private property of former South Korean President Chon Tu-hwan and his family members at the request of the South Korean Government.

He said, however, that he has not yet received any final report on the results of the investigation.

Hawke will leave Seoul Wednesday for Bangkok, the second-leg of his Asian tour which will take him also to Pakistan and India.

Economic Talks With Australians
SK3101034789 Seoul YONHAP in English 0250 GMT 31 Jan 89

[Text] Seoul, Jan. 31 (OANA-YONHAP)—Korea and Australia discussed ways to boost economic cooperation, including opening a direct air route this year, at the Korea-Australia economic conference here Monday.

A Seoul-Sidney air route should be opened to stimulate economic collaboration and because it complies with the Korea-Australia aviation proposal of 1986, the Korean side headed by Trade and Industry Minister Han Sung-su said.

Korean officials also demanded that to improve economic exchanges the Australian Government allow Koreans to visit Australia for up to 15 days without visas.

Pointing out Korea's growing trade deficit with Australia, the Korean side asked Australia to lift such trade barriers as tariff and quota restrictions on Korean textiles, clothing and shoes.

The Australian side led by Prime Minister Robert Hawke responded by calling for Korea to open its agricultural markets to Australian beef and other products, and to buy more coal and steel ore from Australia.

Soviet Union Delivers Jet Fighters to North
SK3101015289 Seoul THE KOREA HERALD in English 31 Jan 89 p 1

[Text] Tokyo (YONHAP)—The Soviet Union has made an additional supply of sophisticated Sukhoi (SU-25) jet fighters to north Korea, the Sankei Shimbun reported Sunday, quoting international military sources.

It was reported that the Soviet Union made the latest shipment of the modern jet fighters to north Korea beginning late last year, increasing to about 25 the total number of SU-25s north Korea has received in the last couple of years.

The jet fighters, modeled after America's A10s which have the nickname of "tank killers," have a relatively short cruising range, but they are fearful in attacking ground targets while flying at low altitudes. Their capability was amply demonstrated in Afghanistan.

The sources said that the Soviet Union made the additional shipment since it now has a surplus following the withdrawal of jet fighters from Afghanistan.

Further on Soviet Joint Venture With Hyundai
SK2401012089 Seoul YONHAP in English 0111 GMT
24 Jan 89

[Text] Seoul, Jan. 24 (YONHAP)—The Soviet Chamber of Commerce and the Hyundai group, a leading South Korean business conglomerate, have signed a letter of intent to establish a joint venture company for cooperation in the development of the Siberian region.

It marks the first time that the Soviet Union has agreed to a joint venture with a South Korean concern.

Vice President of the Soviet Chamber of Commerce Vladimir Golanov signed and exchanged a letter of intent Monday with Yi Myong-pak, chairman of the Hyundai Construction and Engineering Co. the signing ceremony was held at Yi's office when Golanov visited Hyundai's main office building here.

A Hyundai spokesman said the joint venture company would be set up both in Seoul and Moscow within six months and is expected to promote cooperation in such industrial fields as construction, manufacturing and fisheries.

Meanwhile, the Soviet Chamber conveyed a letter of invitation to Cho Kyu-ha, executive director of the Federation of Korean Industries (FKI), Monday inviting a group of 40 Korean businessmen to visit the Soviet Union in March. The federation is a leading businessmen's association in South Korea.

FKI sources said Soviet authorities are expected to brief the Korean businessmen on their projects for developing siberia and to provide them with opportunities to visit the region for fact-finding purposes.

Shipbuilding Industry Plans Contracts With USSR
SK2501063789 Seoul YONHAP in English 0617 GMT
25 Jan 89

[Text] Seoul, Jan. 25 (YONHAP)—South Korea's shipbuilding industry is actively engaged in business consultations with the Soviet Union to receive orders for ship construction, an industry source said Wednesday.

Korean shipbuilders are seeking to conclude 370 million U.S. dollars worth of contracts with the Soviet Union, the source said.

Soviet maritime officials proposed to Hyundai Heavy Industry late last December that consultations be resumed on possible construction orders worth 270 million dollars.

Senior officials of the Soviet Far Eastern Shipping Company visited Hyundai Heavy Industry and Daewoo Shipbuilding & Heavy Machinery on Monday and Tuesday to proceed with consultations for placing orders worth about 100 million dollars, the source said.

Daewoo reportedly agreed in principle to conclude contracts with the Soviet company for ship construction including 10 bulk carriers, with delivery scheduled for 10 months after signing the contracts.

"Active business consultations between South Korea and the Soviet Union are attributable to the fact that the Soviet Union's major ship suppliers such as Poland and Yugoslavia are losing competitiveness in the shipbuilding industry due to inflation and labor disputes," the source said.

Meanwhile, Korea received shipbuilding orders from abroad last year worth 1.96 billion dollars or 3.04 million tons.

DJP Chairman Receives Invitation From USSR
SK2401000489 Seoul YONHAP in English 0037 GMT
24 Jan 89

[Text] Seoul, Jan. 24 (YONHAP)—Pak Chun-kyu, chairman of the ruling Democratic Justice Party (DJP), said Tuesday that the Soviet Union has invited him to visit the socialist country.

"I have recently received an invitation letter from high-level Soviet authorities to visit Moscow," the no. two DJP leader said, adding, "however, when I will visit is not yet decided."

A DJP source indicated that Pak, the first South Korean politician formally invited by the Soviet Government, might be able to leave for Moscow in March or April at the earliest.

"If Pak visits the Soviet Union, he will meet with Soviet leader Mikhail Gorbachev to discuss ways to expand exchanges between Seoul and Moscow," the source said.

Pak visited Moscow last September to attend an Inter-Parliamentary Union (IPU) conference.

South Korea has no diplomatic relations with the Soviet Union.

Meanwhile, Kim Tae-chung, president of the largest opposition Party for Peace and Democracy (PPD), plans to visit the Soviet Union in the first half of this year at the invitation of a Soviet academic institute.

Full Diplomatic Ties With Hungary Established
SK3101005289 Seoul THE KOREA TIMES in English
 31 Jan 89 p 1

[Text] Korea will officially set up full diplomatic relations with Hungary tomorrow in the first crop of its much-trumpeted northern policy initiative in improving relations with socialist countries.

Hungarian State Secretary for Foreign Affairs Gyula Horn, currently visiting Korea on this mission, and his Korean counterpart Sin Tong-won will formally sign a diplomatic document on the establishment of ambassadorial relationship between the two countries at the Foreign Ministry tomorrow morning, it was learned yesterday.

Korea's set-up of full diplomatic relations with a Communist country is the first such case since the nation's founding in 1947. Both countries, which did not have official relations previously, exchanged permanent missions on Oct. 25 last year.

The new Korean-Hungarian relationship will likely prompt other East European countries such as Yugoslavia and Bulgaria to follow suit in the near future, diplomatic observers noted.

Some socialist countries including the Soviet Union have already opened their trade offices here in Seoul in the leadup to their possible full diplomatic relationship with Korea.

The Korean Embassy in Hungary will also serve as the official channel for contacts with other East European countries that have no relations with Seoul.

At their high-level talks at the Foreign Ministry yesterday morning, Gyula Horn and Sin, accompanied by working-level officials from each side, put finishing touches to the establishment of their diplomatic relations.

At the talks, both sides also reviewed draft agreements on economic cooperation, avoidance of double taxation, abolition of visas on diplomatic and official passports and cultural cooperation. These agreements will also be formally signed by the two parties tomorrow.

Earlier in the morning, Horn also paid a courtesy call on Foreign Minister Choe Ho-chung.

In his press meet at Kimpo Airport on his arrival Sunday, Horn said he was coming to Seoul to "finalize" the matter of diplomatic relations with Seoul.

Vice Foreign Minister Sin visited Hungary on Dec. 27-29 last year, discussing with Hungarian leaders including General Secretary Karoly Grosz the matter of the establishment of full relations between the two countries.

Both governments have been briskly discussing the matter of elevating the current level of the permanent mission to that of a full ambassadorial one.

During their two rounds of talks alternating in Seoul and Budapest last July and August, both sides reached a consensus on the need for establishment of official diplomatic relations.

As an initial step, both governments officially signed a document on set-up of permanent missions on Aug. 26 last year, which took effect on Sept. 13 when Etre Sandor, chief of the Hungarian permanent mission here, exchanged the document during his visit here on Sept. 10-18.

On Oct. 25, the government sent Ham Myong-chol, a counselor at the Korean Embassy in Austria, to Hungary in his capacity as charge d'affaires. Ham was soon joined by the first Korean ambassador to that socialist country Han Tak-cha.

Hungary To Reciprocate Favored Nation Status
LD3101125789 Budapest MTI in English 1148 GMT
 31 Jan 89

[Text] Seoul, January 31 (MTI)—The Republic of Korea is to grant, on a reciprocal basis, most favoured nation (MFN) status to Hungary, minister of trade and industry, Han Sung-Su, told an MTI correspondent on Tuesday morning. The agreement on economic and commercial cooperation, including the MFN clause, will be signed simultaneously with the protocol on the establishment of diplomatic relations by Foreign Minister, Choe Ho-Chung, and State Secretary of Foreign Affairs, Gyula Horn, on Wednesday.

Mr Han expressed the conviction that the people of Hungary would take advantage of the possibilities open to them, just as the Korean people had done over the past two decades. The minister emphasized that the real essence of economic development lay in entrepreneurial spirit. With

the world's 11th largest foreign trade turnover, the Republic of Korea assumes increasing responsibility for, and seeks to make an active contribution to, the creation of a more favourable world economic environment. The minister pointed out that the bilateral investment protection agreement was very favourable from the aspect of entrepreneurs' security. For Hungarian firms to make full use of increased Korean interest, more concrete information would be required on Hungary's economic environment, the latest laws, and the conditions of investment and the foundation of firms.

Economic Joint Committee With Hungary Meets
SK3101011889 Seoul THE KOREA TIMES in English
31 Jan 89 p 6

[Text] The first session of the Korean-Hungarian Economic Cooperation Committee was held at the Finance Ministry yesterday to seek ways of stepping up binational relations in trade, economic and other fields.

A ministry spokesman disclosed that the Hungarian side, led by Zoltan Gombocz, vice minister of trade, gave a briefing on the incentive system for foreign investment in the East European country.

The Korean delegation, headed by vice Finance Minister Yi Tong-ho, explained about the country's economic and financial policies toward foreign nations.

The five Hungarian delegates, including Peter Reiniger, director general of the Ministry of Industry, arrived in Seoul Sunday evening to take part in the committee meeting, the first of its kind between Seoul and Budapest.

While in Korea for five days, the representatives from the socialist country will discuss with their Korean counterparts plans to expand economic cooperation and to promote trade and investment and to promote trade and investments.

Joint venture businesses with Korean conglomerates in Hungary will be one of the top issues on the agenda, a senior official at the ministry revealed.

Ten big Korean business and industrial firms are now consulting with Hungarians on joint venture projects, including the production of color TV tubes, passenger cars and auto parts.

Representing each government, the Korean foreign minister and Gombocz are to sign an agreement on trade and economic cooperation, which will help expedite bilateral ties in overall sectors for mutual national interests.

The second session of the cooperation committee will take place also at the Finance Ministry today.

Prior to attending the yesterday's session, the Hungarian officials called on Finance Minister Yi Kyu-sung for talks. Later in the day, they paid a courtesy call on Prime Minister Kang Yong-hun. In the evening, they were invited by Hyundai officials to a dinner.

They are scheduled to have talks with the trade-industry minister, vice economic planning minister, vice transportation minister and Kotra president before leaving Seoul on Friday.

They are also to meet senior officials of Hyundai, Samsung, Daewoo and Lucky-Goldstar groups.

Sales Volume Increases
SK2501082389 Seoul YONHAP in English 0813 GMT
25 Jan 89

[Text] Seoul, Jan. 25 (OANA-YONHAP)—South Korea's sales volume to Hungary is increasing since the two nations began direct trade in 1988, business sources said Wednesday.

Letters of credit (L/Cs) from Hungary have begun to soar signaling bright prospects for the Hungarian market since the latter half of last year when correspondent relationships between Korean and Hungarian banks were contracted, the sources said.

As for Korea Development Bank, 38 L/Cs have arrived from Hungary for 5.296 million U.S. dollars worth of products shipped since the first L/C arrival from Hungarian Foreign Trader Bank Limited.

Since the start of this year, the increasing export volume caused by brisk L/C openings has accelerated. As of Jan. 24, exports rose to 870,000 dollars from last year's monthly average of 500,000 to 600,000 dollars.

Export items have also changed from textiles and some pharmaceutical raw materials to higher value-added electronic products such as videotape recorders (VTR's).

Domestic financial sources expect that the efforts by Korean banks to realize contracts for correspondent relationships with banks in other East Bloc countries will serve as a catalyst in expanding direct trade with those nations.

Filmmakers Consider Coproduction With China, Japan
SK2801052889 Seoul THE KOREA HERALD
in English 28 Jan 89 p 9

[By staff reporter Pak Song-ho]

[Text] Korean filmmakers are making a gingerly attempt to coproduce movies with China and Japan in anticipation of official approval from the government for joint projects.

The idea of coproduction has been advocated by some directors as a recommendable and practical "bumper" to smooth the way for full-scale exchanges of pictures with China and Japan.

The government authorities still ban imports of Japanese movies for fear of offending the people, whose memory of Japanese atrocities for 36 years in the early part of this century is not yet erased, industry sources say.

But President No's hint at official permission to liberalize Japanese movie imports, which was reported last December in an interview with a Japanese newspaper, prompted filmmakers to seek joint productions with Japan, the sources say.

Against this backdrop, "Dunhuang," an epic about military factional clash interwoven with a Romeo-and-Juliet romance, has become the focus of attention as a Korean import company plans to introduce the first Japanese film ever seeking government permission to be screened since the Korean liberation in 1945.

Although the Ministry of Culture and Information considers the lifting of ban on Japanese culture "premature" on the grounds that Korean people's antipathy toward Japan still remains strong, filmmakers expect an end to the cultural blockage in the near future, industry analysts say.

"An official at the Culture and Information Ministry told me that forging opinions in favor of import liberalization by the mass media will help spur the lifting of the ban," said director Chang Il-ho, who plans to make a coproduction with Japan.

Chang said the Japanese production partner will pour a huge sum of money into the joint project and that it is very cooperative. "Unlike in historical issues and textbooks, motion pictures made in Japan do not seem to be biased or distorted," the director said, "and such attitudes will be applied to film coproductions, even to one whose theme is hostile to Japan."

The Team Focus Films Inc. is promoting "Patriot An Chung-kun and a Japanese Man," a coproduction with the Far East Films of Japan.

Director Yi Sang-on has been appealing to the government for a green light for the film that traces the life of An Chung-kun, a Korean independence fighter during the Japanese colonial rule of Korea (1910-45).

"My intention is to shed a balanced light on the historical affairs between Korea and Japan. I seek the truth in history," Yi emphasized.

"I would like to make the film an educational picture rather than a moneymaker."

The director did not credit the assumption in some industry quarters that if imports of Japanese-made films are allowed, they will be popular with Korean audiences due largely to similarity of Japanese Korean cultures.

"I think the overall quality of Japanese movies is indifferent," Yi said.

The Yangjon Corporation is consulting with a Japanese firm for "The Bridge," a film which deals with love and conflicts between Korean and Japanese youngsters, and a couple of filmmakers are planning joint efforts with Japan, according to industry insiders.

Opportunities are emerging for partnership with China as well. Director Kim Shi-hyun was recently offered a proposal from China to direct a Korean-Chinese coproduction, which is believed to be the first such a cause between the two countries.

Kim has already embarked on the screenplay, which centers on the activities of joint forces between Unified Silla in Korea and Tang China in the 10th century.

The director said that he chose a subject that would appeal both to Koreans and Chinese in hopes that the joint endeavor could facilitate further cultural exchanges between the two countries. The coproduction is slated to be started in October.

Hon Kong's China Film Co. recently picked up Korean director Choe Ha-won for its joint project with the China Motion Picture Corp.

Choe said that his participation is, in principle, not coproduction with China, but an indirect cultural exchange.

Choe will film "The Mongol Princess and King Kongmin," an account of the marriage of convenience between a Korean royal prince, who had been held hostage in Yuan China, and a Mongol princess, and Korea's policy northward promoted by the prince after he ascended the throne during the Koryo period (936-1392).

Korea and China agreed to split production costs 50/50, estimated at 1 billion won. The film will be shot on location in the two countries, according to the director, who has recently returned from China.

The director felt that joint projects with China are not an easy task, saying that the agencies governing coproductions are government controlled and what's worse, the Chinese seem to be less interested in coproduction than their independent productions.

But China is eager to exchange film students and the president of the Beijing Film Academy invited Korean students to participate in workshops in his school, Choe said.

Takeshita Pledges To Help Koreans in Japan
SK3101010089 Seoul THE KOREA TIMES in English
31 Jan 89 p 1

[By correspondent Sin Hak-nim]

[Text] Tokyo—Prime Minister Noboru Takeshita has pledged sincere cooperation in connection with the elevation of the legal status of Korean residents in Japan.

He also promised favored treatment for Korean victims of the nuclear bombing during World War II in his meeting with Kim Yong-sam, president of the Reunification Democratic Party, at his office yesterday.

Kim arrived here for a five-day visit at the invitation of Takado Doi, chair-woman of the Japanese Socialist Party.

Earlier in the day, Kim met with Foreign Minister Uno Sosuke and was notified of the fact that about 100 million yen, about 530 million in Korean currency, has been earmarked this year for the treatment of Korean victims of nuclear bombing during World War II.

Uno promised that the Japanese government will take financial and other administrative measures to help Koreans living on Soviet-held Sakhalin islands. A large number of Koreans are living on the islands after being taken there for labor during the World War II.

Expressing regret over the unhappy incident of the past, referring to Japan's colonial rule, Uno said Japan will exert an added effort to seek solutions to problems between the two nations.

Prosecution Ends 5th Republic Probe
SK3101063589 Seoul YONHAP in English 0536 GMT
31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—The prosecution Tuesday concluded its investigation into charges against leading figures of the previous administration and dissolved its special investigation team.

The investigation resulted in the arrest of 47 persons and 29 others were booked without physical detention on charges of involvement in at least one of the 34 cases of "irregularity" perpetrated during former President Chun Tu-hwan's tenure of office, an announcement said.

The end of the investigation comes one and a half months after it was inaugurated last Dec. 13 by President No Tae-u, who promised in a special statement to make a thorough investigation into the misdeeds allegedly involving leading figures of Chon's administration and their close associates.

Among the people arrested were such well-known figures as Chon's younger brother, Kyong-hwan, former Seoul Mayor Yom Po-hyon, former transportation minister

Cha Kyu-hon, former Construction Minister Kim Chong-ho, former Director of the Agency for National Security Planning Chang So-tong and Rep. Yi Hak-pong of the Ruling Democratic Justice Party.

Pak chong-chol, chief of the Central Investigation Dept. of the Prosecutor-General's Office, said in a news conference that his department would continue to probe a couple of cases which have not yet been tackled in earnest owing to the absence of the persons directly involved.

A notable feature of the investigation was the arrest of some of Chon's key aides, such as Chang, Chon's intelligence chief, and Rep. Yi, who once served as Chon's secretary for civil affairs at Chongwadae (the presidential residence).

Chang was arrested on charges of having peddled his influence as chief of the presidential security service in raising private donations for the Ilhae Foundation. Yi, the sole incumbent lawmaker arrested, was charged with having abused his power by intervening in the takeover of the insolvent Kukje-International Group.

Chon's brothers, Ki-hwan and Kyong-hwan, were among 14 of his relatives arrested on charges of corruption. Ki-hwan was charged with having obtained the ownership of a fish market in Seoul in an illegal manner, while Kyong-hwan was charged with having embezzled huge amounts of money from the Saemaul (New Community) Movement headquarters.

Meanwhile, opposition parties responded to the announcement with official statements blasting the prosecution.

With one voice they said that the incumbent government "deceived" the people by failing to make a "thorough" investigation into the irregularities involving Chon's regime.

The prosecution should have arrested several others, including incumbent DJJ lawmaker Yi Won-cho, who allegedly mustered huge political funds to support the Chon regime, they charged.

The three opposition parties are considering a meeting this week on appointing a "special prosecutor" empowered to launch a separate investigation into the irregularities.

Income of Urban Residents Increase in Jul-Sep
SK3101021489 Seoul YONHAP in English 0136 GMT
31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—The per household monthly average income of urban Koreans for the third quarter of last year was 12.4 percent higher in real terms than a year earlier, the Economic Planning Board (EPB) said Tuesday.

During the July-September period, monthly income averaged 676,900 won (about 995.44 U.S. dollars), up 20.4 percent from 562,100 won in the same period of 1987.

Monthly average earnings grew 22.4 percent to 595,500 won (about 875.74 dollars), an increase of 12.4 percent in real terms when taking into consideration the consumer price increase rate of 7.1 percent during the cited months.

Monthly average expenditure per urban household advanced 18.7 percent to 493,600 won (about 725.88 dollars) from 415,700 won a year earlier, according to the EPB figures.

The EPB attributed the rise in expenditure to 28 percent to 35 percent increases in outlays for clothing, automobiles and car maintenance, transportation and communications and social expenses and a 28 percent increase of non-consumption costs including taxes.

The household surplus totaled 183,300 won, up from 146,400 won a year earlier, while the surplus ratio, which represents surplus as a percentage of income, rose 1.3 percentage points to 29.2 percent.

Meanwhile, monthly average expenditures for food increased 15.2 percent to 157,900 won from the corresponding period of 1987. Outlays for fruits rose 39.9 percent, those for grains gained 3.6 percent and those for vegetables and seaweeds advanced 4.9 percent.

The Engel's coefficient, which represents living conditions of a household with a ratio of expenditures for food among the total consumption expenditures, amounted to 35.5 percent, down 0.8 percentage points from the same months of the previous year, according to the EPB.

Labor Ministry Seeks New Business Regulations
SK2501010089 Seoul THE KOREA TIMES in English
25 Jan 89 p 3

[Text] Employers will have to give a one-month prior notice to the Labor Ministry when they intend to fire five or more employees at a time, according to new regulations under study, a move to eradicate widespread "unfair practices of dismissal."

The government will also take steps to encourage more managers to shift to a five-work-day system and cut the present standard 48 working hours a week down to 44 hours, work hours which have been widely regarded as one of the worst aspects of working conditions in the nation.

Minister Chang Yong-chol instructed senior officials yesterday to crack down on firms which do not call their labor-management councils into session regularly.

The prior notice for dismissal—If an employer desires to dismiss an employee he must give the employee at least thirty days prior notice, but not necessarily to the government.

A ministry official said the new regulations will help check illegal dismissals which triggered 110 of 1,873 major labor disputes last year.

When the government finds any "unfairness" in dismissals of employees, it will order the action to be scrapped or punish employers on charges of violating the Labor Standard Act, the official said.

Shortening Working Hours—Korea's present standard working hours are 4 or 12 hours longer than the average time in Western industrialized countries, or Hong Kong and Singapore. And many work even longer than the standardized time.

To improve the health and living conditions of workers, the government said it will urge employers to reduce the working days or hours without revision of the laws concerned though.

The Labor Ministry will instead ask employers to get written agreement for extra work and provide a "virtual" allowance of monthly leave with pay, at least 52 weekend holidays a year and three part shift system for 24-hours working companies by enforcing either the Act strictly or strong policy guidelines.

An employer will be criminally charged when he forces his employees to work extra hours according to the official.

The labor-management council—a consultative council must be established in each business or work place which is vested with the right to decide the conditions of employment according to Article 4 of the Labor-Management Council Act. The Act came into force in 1980 largely for firms without labor unions.

Correction to Soviet Spy Ship in Korea Strait

SK2801020189 The following correction to the item headlined "Soviet Spy Ship Appears in Korea Strait," published in the 30 January East Asia DAILY REPORT page 29, is supplied by Seoul YONHAP in English 0707 Gmt on 30 January:

Column one, paragraph two, first sentence: ..AGS 397 (1,100 tons). (correcting typoed figure "1,100")

Burma

Press Officers Hold 24th News Conference
BK2801070089 Rangoon Domestic Service in Burmese
1330 GMT 27 Jan 89

[Excerpts] Members of the Information Committee of the State Law and Order Restoration Council [SLORC] held the 24th news conference with local and foreign correspondents in Burma at 1300 today at the reception hall of the Ministry of Defense. [passage omitted]

Speaking on the monetary issue at the news conference, U Maung Maung Than, managing director of the Burma Foreign Trade Bank, said he would explain: 1. concerns in commercial circles over rumors about demonetization, 2. speculation on the foreign exchange rate, and 3. the opening of foreign exchange accounts in the bank. Explaining about the demonetization reports, he said there is absolutely no plan for demonetization during the term of office by the SLORC. He urged the people to have faith in using, depositing, and investing with the currency. [passage omitted]

On the second point, he said it is now under study how to change the currency exchange rate and to what extent the currency exchange rate should be changed in the light of the unstable international monetary situation. [passage omitted]

Next, in explaining the situation regarding the returning students, members of the SLORC information committee disclosed that as of 27 January, 2,313 students had returned, and the 31 January 1989 deadline for return of the students would not be extended. However, 27 reception centers, which were opened earlier, would remain open to receive and care for the returning students if they have not committed any crime. They said the reopening of schools would depend on the return of students from the jungles and that the government has plans to reopen schools. [passage omitted]

It was also disclosed that the issue of allowing student unions not having any political connection would be considered once the schools are reopened, and that some students are likely to be engaged in activities for the formation of student unions. [passage omitted]

Speaking on the issue of the flow of paddy and commodities, it was explained that the government is working for a smooth flow of commodities for the welfare of the people. In response to suggestions submitted by traders on the issue of reducing rice prices, Law and Order Restoration Councils of the Rangoon Division and Tenasserim Division coordinated work in transporting 83,062 sacks of rice in 42 trawlers from Rangoon Division to Tenasserim Division between 22 October 1988 and 9 January 1989. However, as of 3 January, only 42,623 sacks of rice had arrived in 26 trawlers at

Tenasserim Division. The remaining 16 trawlers carrying 44,039 [number as heard] sacks of rice had not arrived and it is possible the rice has been smuggled abroad. [passage omitted]

Next, the information committee explained about reports on the detention of students. During a meeting with the students [who returned from Bangladesh yesterday, Maung Moe U Tun said three of his friends had been detained since 3 October and inquired about the matter. In replying through the journalists, it was explained that following complaints from the Department of General Administration of Sittwe, legal action was taken on 3 October against three friends of Maung Moe U Tun—Aye Maung, Than Tun Aye, and Tin Aung Kyaw—and Aung Kyaw Min and the main culprit, San Aung Kyaw. The action was taken against them because they had stolen documents and equipment belonging to the former Rakhine State People's Council. [passage omitted]

Than Tun Aye and Tin Aung Kyaw, who are under detention, could be freed on bail, while action continued against Aye Maung. Arrangements are being made to be lenient, as they are students. [passage omitted]

Next, a report contained in the 25 January issue of BANGKOK POST was explained. According to the report, Ne Win Aung, age 22; Har Nit, age 21; and Aung Moe, age 23, had recently died at the Insein Jail and their bodies had not been returned to their parents. This report is absolutely unfounded. There was no torture. They are detained in the jail in the manner that they should be detained. There were absolutely no deaths. They are healthy inside the jail. The three were jailed because Ne Win Aung was found with explosives in Toungoo, and action was taken against him with along with two of his accomplices. [passage omitted]

Action is being taken against these persons in connection with their crimes. It is categorically stated that there were absolutely no killings.

Another report concerns allegations by Aung Lwin, chairman of the All Burma Students Democratic Front, that seven Burmese students had been missing following detention by military intelligence. The seven students mentioned in the report were: Thaw Zin, 18; Wunna Min, 16; Zaw Moe Khine, 19; Kyaw Myint Shwe, 18; Win Kyaw Tun, 19; Zarni Aung, 18; and Sein Myint, 20. The Burmese ambassador in Bangkok has already categorically denied the report, saying there were no arrests and detentions.

We have not been concealing anything regarding detentions connected with criminal activities, which have been reported by the newspapers, radio, and television. There was absolutely no report of the seven mentioned by the BANGKOK POST in these reports. We did not detain them, it was explained. [passage omitted]

The news conference ended at 1415.

Two 'United Students Front' Members Released
BK3001143289 Rangoon Domestic Service in Burmese
1330 GMT 30 Jan 89

[Text] Two youths—Shein Aung, alias Maung Sein, alias Yi Hoke Sein, 20, 4th year physics student, son of U Yi Hoke Khun, No 225, 35th Street, Kyauktada Township; and Nyi Nyi Soe, 23, son of U Tun Shwe, No 70 Thudathana 1st Street, 16-2 ward, Thingangyun Township—were arrested by the authorities and charged under the Emergency Measures Act on 20 November 1988 after investigations revealed that they belonged to the underground All-Burma United Students Front that was formed to engage in antigovernment activities.

Following an apology by them for their injudicious acts and a promise that they would only engage in honest living and pursue peaceful studies once released, and also because the parents and guardians pledged to provide proper supervision, the authorities handed the two over to their parents on 27 January 1989.

Two More Detainees Released
BK2801084789 Rangoon Domestic Service in Burmese
1330 GMT 27 Jan 89

[Text] The 19 November issue of the daily newspapers reported that Tun Naing Wai, 22, son of U Kyway of No 110, Natsin Road, East Ward, Magyedan-North, Kemmendine Township and Zaw Win alias Zaw Zaw, 25, 1st year Burmese major, Rangoon University, Kemmendine Campus, son of U Tin Win of No 47/49, Bo Thura Road, Zaygyi West Ward had been detained on 15 November 1988 under the State of Emergency Act for attending a small weapons training course of an underground organization formed in the Kemmendine region for inciting acts of violence and disturbances and for writing letters demanding the formation of an interim government by 8 November.

The two were handed over to their parents and guardians by the authorities on 5 January 1989 after pleading for forgiveness for their wrongdoing and pledging to pursue their education peacefully and to earn honest living upon their release. Their parents and guardians had also promised to guide them to prevent them from following the wrong path.

Three Student Activists Freed
BK2701161289 Rangoon Domestic Service in Burmese
1330 GMT 26 Jan 89

[Text] Soe Win Aung alias Soe Moe Thu, age 17, 7th grade student, a son of U Saw Aung of No 52, Sawbwa Road, 9th Mile, Mayangon Township; San Htay alias Zaw Zaw, age 22, a son of U Khin Maung of No 35, Kyaikwaing Pagoda Road, Mayangon Township; and Hein Lin Than, age 19, a son of U Nyunt Lwin, of No 45, Taynuyin Street, 7 and ½ mile, Mayangon Township

had been arrested on 10 November 1988 under the State of Emergency Act for their activities connected with the Mayangon Township Student Revolutionary Front which was formed with the intention of committing acts of violence and disturbances as reported by the newspapers in the 15 November issue.

The three had been released by the authorities concerned on 15 December and handed to their parents and guardians following their plea for forgiveness for their wrongdoing and their pledge to peacefully pursue education upon release and to earn their living honestly. Furthermore, their parents and guardians had also promised to give them guidance so as to prevent them on falling on the wrong path.

Bo Yan Naing of 'Thirty Comrades' Dies
BK2801155989 Hong Kong AFP in English 1537 GMT
28 Jan 89

[Excerpts] Rangoon, Jan 28 (AFP)—One of Burma's "Thirty Comrades" independence heroes died Saturday of lung cancer at the age of 71, members of his family said.

The funeral has been set for Wednesday.

Bo Yan Naing's death of cancer leaves only nine of the Thirty Comrades alive, including former Burmese leader Ne Win, who ruled the Southeast Asian country with an iron fist from 1962 until he resigned in the face of mass protests for democracy last year.

The Japanese-trained Thirty Comrades were led by the late General Aung San, whose daughter, Aung San Suu Kyi, leads the National League for Democracy, Burma's most prominent opposition party. [passage Omitted]

After General Ne Win seized power in 1962, Bo Yan Naing fled to Bangkok to join hands with ousted Premier U Nu in opposing the military-backed regime.

He returned with U Nu after a 1980 general amnesty and became inactive because of failing health.

Brunei, Malaysia & Singapore

Malaysia

MP Exchange Visits With Singapore Planned
BK2701155589 Kuala Lumpur International Service
in English 0800 GMT 27 Jan 89

[Text] Malaysia and Singapore plan to develop sincere rapport between their members of Parliament through an exchange of visits. The deputy foreign minister, Datuk Dr Abdullah Fadzil Che Wan, said Singapore

state minister for foreign affairs and national development, Peter Sung, who called on him at his office today, agreed that both Parliament speakers should try to arrange regular dialogues and friendly games for the members of Parliament.

Speaking to reporters after the meeting, Datuk Dr Abdullah Fadzil said Mr Sung assured him that the Singapore Government will [words indistinct] with Malaysia to maintain ties between their people. Mr Peter Sung, who is accompanying Singapore First Deputy Prime Minister Mr Goh Chok Tong for a 3-day visit to Malaysia, was [words indistinct] social call and that no serious discussion was held between them.

Goh Chok Tong Ends Visit

BK2801125989 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 28 Jan 89

[Text] Singapore First Deputy Prime Minister Goh Chok Tong returned home today, ending a 3-day official visit to Malaysia. During his stay, he held talks on defense matters with Malaysian leaders, including Deputy Prime Minister Ghafar Baba.

Goh Chok Tong's entourage includes Minister for Environment and Islamic Affairs Dr Ahmad Mattar and Minister of State for Foreign Affairs and National Development Peter Sung.

Former Vice Premier Musa Hitam Rejoins UMNO
BK3101062289 Kuala Lumpur International Service in English 0600 GMT 31 Jan 89

[Text] The former deputy prime minister, Datuk Musa Hitam, has renewed his membership in the United Malays National Organization or UMNO, which is a major component in the National Front which governs the country.

In a news conference in Kuala Lumpur this morning, Datuk Musa said four other members that left the party had renewed their membership in UMNO. He said he hoped that the decision would be accepted by all UMNO members. Datuk Musa anticipates the majority of his supporters will rejoin the party. He explained that UMNO should be the party to fight for [words indistinct], religion, and the country. Datuk Musa left the party about 2 years ago after disagreement with the leadership.

Cambodia

Gandhi on Prospects for Cambodian Settlement
BK2801062189 Phnom Penh SPK in English 0451 GMT 28 Jan 89

[Text] Phnom Penh, 23 January (SPK)—“We have seen hopeful signs of a peaceful political solution on Kampuchea,” said Indian Prime Minister Rajiv Gandhi at a banquet organized in New Delhi on Wednesday to

honour the Vietnamese visiting delegation led by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee.

He also said that there has been a palpable relaxation of tension in different part of the global.

He went on: “Recent developments are encouraging. We have noted with appreciation your announcement of an agreement having been reached with the People's Republic of Kampuchea to withdraw all Vietnamese troops from Kampuchea by September 1989, provided a political solution is found.

“We welcome the Jakarta informal meetings process and hope that this will lead to the early reconvening of an international conference. We are convinced that the Non-Aligned Movement can play complementary role to this process. We also welcome the attempts such as direct negotiations which have been taking place to find a negotiated settlement. We would like to see Kampuchea at peace, sovereign, independent, and non-aligned. We shall do what we can to assist the search for a political solution”.

KPRP Order on SRV Pact, Party Fetes
BK3001061589 Phnom Penh Domestic Service in Cambodian 1300 GMT 29 Jan 89

[“Guidance” of KPRP Central Committee Secretariat on Commemorating the 10th anniversary of the signing of the PRK-SRV treaty of peace, friendship, and cooperation, 18 February, and the 59th founding anniversary of the Indochinese Communist Party, 3 February—signed by General Secretary Heng Samrin; date not given]

[Text] This year we will mark the 10th anniversary of the signing of the Cambodia-Vietnam treaty of peace, friendship, and cooperation, 18 February 1979-18 February 1989, and the 59th founding anniversary of the Indochinese Communist Party, 3 February 1930-3 February 1989, after successfully celebrating the 10th anniversary of the 7 January national day.

On these historic anniversaries, the party Central Committee Secretariat calls on all levels and services to organize the following friendly Cambodia-Vietnam activities from 1 to 20 February 1989.

I Suggestions and Substance:

1. Make the party, Armed Forces, and entire people more aware that the great all-round successes scored by the Cambodian revolution in the past 10 years cannot be separated from the precious and effective assistance of the Vietnamese party and government and the heroic Vietnamese people. We should realize the fruitful cooperation in every field through the implementation of the

Cambodia-Vietnam treaty of peace, friendship, and cooperation in the past 10 years, which has really contributed to advancing the Cambodian revolution.

2. Disseminate the history of the Indochinese Communist Party and the close relations between the KPRP and the CPV. From this, make people realize clearly that the special relations of solidarity between Cambodia and Vietnam, as well as among the three Indochinese countries, are essential factors which are significant to the destiny of the revolution in the three countries and in each one of them. Encourage our cadres, party members, and people to be resolute in further defending these traditional special relations of solidarity. Along with this, we should categorically oppose maneuvers to break the Cambodia-Vietnam relations of enemies of all stripes. In particular, further increase the anger with past and current crimes of the genocidal Pol Pot clique. Absolutely eliminate and oppose maneuvers aimed at returning this clique to power for the second time.

3. Heighten the spirit to learn the examples of sacrifices in flesh and blood of the fraternal Vietnamese volunteer army in carrying out proletarian internationalist duties in Cambodia. From this, our party, armed forces, and entire people should strive to be the masters and to be self-reliant in overcoming obstacles to fully ensure revolutionary tasks ourselves based on new advantages of the Cambodia-Vietnam special alliance. In the immediate future, we should strive to achieve major tasks from now to the end of June 1989 in order to create new advantages for the revolution on every front.

II. Forms of Organization and Measures To Implement:

Party organizations, all levels of state authorities, mass organizations, the Cambodia-Vietnam Friendship Association and its branches in provinces and municipalities should send greetings messages to their counterparts. Organize get-togethers on Cambodia-Vietnam friendship and highlight the success of the all-round cooperation among ministries and localities through evaluation and discussion to achieve better results in the cooperation with the friendly side. Recall the assistance of the Vietnamese volunteer army and experts in the past 10 years in localities by pointing out good examples and study them.

The National Committee for Organizing National and International Festivals, in close cooperation with relevant establishments, should pay attention to making good preparations for the exchanges, already agreed upon, of high-level party and state delegations, mass organizations, and friendship associations between us and our friend. Organize solemn meetings to mark the 10th anniversary of the signing of the Cambodia-Vietnam treaty of peace, friendship, and cooperation and the 59th founding anniversary of the Indochinese Communist Party.

The Information and Culture Ministry, the Phnom Penh People's Revolutionary Committee, and the Radio and Television Directorate should cooperate in organizing artistic and sports activities, exhibitions, and film projections by paying close attention to the relations with the friendly side to make timely copies of the films on activities on the friendship day in the friendly country. Pay attention to welcoming and receiving artistic and sports teams and exhibitions of the friendly country and send our artistic and sports teams to our friends' country to perform on the friendship day. We should pay attention to intensifying activities of the offices of friendship associations by organizing get-togethers, art performances, film projections, and other activities.

On the occasion of the traditional new year of the fraternal Vietnamese people, all levels of revolutionary state authorities, mass organizations, and units of the armed forces should create conditions to assist friendly units and experts, who are carrying out their proletarian internationalist mission in Cambodia, so that they can safely organize entertainments on their traditional new year with a spirit of lofty solidarity and friendship.

The Central Committee's Propaganda and Education Commission should provide guidance to propaganda networks and have propaganda plans on this occasion in accordance with the above from 1 to 20 February 1989. Central ministries and central services in provinces and municipalities should provide necessary documents relating to good examples of the friendly Cambodia-Vietnam activities and cooperation to propaganda networks to serve this phase of propaganda.

After implementing this guidance, relevant establishments and units should exercise control and report to the Central Propaganda and Education Commission so that the latter can sum up the result and timely report it to the party Central Committee Secretariat.

Slogans:

1. Vigorously welcome the 10th anniversary of the signing of the Cambodia-Vietnam treaty of peace, friendship, and cooperation, 18 February 1979-18 February 1989!
2. The relations of solidarity, friendship, and all-round cooperation between the PRK and the SRV last forever!
3. Vigorously welcome the 59th founding anniversary of the Indochinese Communist Party, 3 February 1930-3 February 1989!
4. Long live the firm and forever lasting Cambodia-Vietnam-Laos militant solidarity!
5. Long live proletarian internationalism!
6. Chairman Ho Chi Minh, founder of the Indochinese Communist Party, lives forever in the revolutionary cause of the three Indochinese countries!

[Signed] Heng Samrin, general secretary, for the KPRP Central Committee Secretariat

Thai Parliamentary Delegation Ends Visit
*BK3001142589 Phnom Penh Domestic Service
in Cambodian 1300 GMT 30 Jan 89*

[Text] On the morning of 29 January, the Thai parliamentary delegation led by Mr Piyanat Watcharaphon, member of parliament for Sisaket Province, left for home after a successful week-long visit to the PRK.

Seeing the delegation off at Pochentong Airport were Comrade Mi Samedi, chairman of the Phnom Penh KUFNCD committee; Comrade Mrs Phlek Phirun, secretary general of the National Assembly; Comrade Mrs Peou Lida Sisowath, standing member of the KUFNCD National Council; and many cadres from the office of the National Assembly.

Sihanouk Comments on Phnom Penh Regime
*PM3001123089 Paris LE MONDE in French
29-30 Jan 89 p 4*

["F.D." dispatch: "Phnom Penh Regime IS Still Dependent on Hanoi and Moscow"]

[Text] Beijing—In reply to questions raised by his decision to postpone any participation in the current efforts to find a political settlement to the Cambodian crisis, Prince Norodom Sihanouk sent us written answers of which we are publishing substantial excerpts.

Would the leader of the Cambodian resistance go back on his decision if Soviet Foreign Minister Eduard Shevardnadze made an explicit gesture of support toward him during his forthcoming visit to China by encouraging the Phnom Penh regime to adopt a more flexible stance? "I do not think so.... The USSR, Vietnam, and the Hun Sen regime fundamentally want Cambodia to remain dependent on Hanoi and Moscow. The stance adopted by Hun Sen...is only tough and inflexible...because it is dictated by Hanoi and approved by Moscow with the aim of blaming Sihanouk and the Khmer Rouge when the final Vietnamese troops are not withdrawn from Cambodia in September 1989.... Hanoi knew that by forcing Hun Sen to reject Sihanouk's five-point plan, it would prevent the Cambodian resistance from reaching a political agreement with Phnom Penh. And if no such agreement is found before September, it will be easy for Vietnam to justify the continuation of its military and colonialist occupation of Cambodia and to blame Sihanouk and the Khmers Rouges for it.... I therefore rule out any desire by Shevardnadze or any other Soviet to advise Hun Sen to adopt a more flexible attitude....

"If such a gesture was made, against all my expectations, I would first have to see what attitude Hun Sen and his government adopted before I changed my attitude.... I have already told Indonesia...that I could only make two concessions: First, to refrain from using the word "dismantling" although, in fact, it will be necessary to simultaneously dismantle the PRK (in Phnom Penh—

LE MONDE editor's note) and the CGDK (the resistance—LE MONDE editor's note) if the idea of free elections and self-determination for the Cambodian people is accepted. Second, to abandon the idea of sending an international peacekeeping force to Cambodia and, to compensate for that, to expand the international monitoring commission (to be set up—LE MONDE editor's note) which would then include military as well as civilian inspectors...."

In another communique published in Beijing on Saturday, 28 January, Prince Sihanouk denied that he was impeding the process of finding a political settlement in Cambodia, and said that it was "futile to count on the USSR, Vietnam, and Hun Sen to do anything at all to bring about" such a settlement. Despite that analysis, a number of Western diplomats in Beijing think that China may ask Mr Shevardnadze to meet with Prince Sihanouk: That gesture would be in return for the concession which China made to Moscow when it received Vietnamese Vice Foreign Minister Dinh Nho Liem recently. The Soviet minister is expected to visit Beijing from 2 to 4 February.

Sihanouk Issues Statement in Beijing
*BK3101044189 (Clandestine) Voice of Democratic
Kampuchea in Cambodian 2330 GMT 30 Jan 89*

[Written statement by Samdech Norodom Sihanouk on 28 January—read by announcer]

[Text] An AFP article from Beijing dated 26 January 1989 says Samdech Norodom Sihanouk announced Thursday [26 January] that he will not take part in peace talks on Cambodia that have already been planned for this year. Analysts said Samdech Norodom Sihanouk's announcement has blocked all political solutions to the decade-old Cambodian conflict for the immediate future. If Samdech Norodom Sihanouk sticks to the decision, analysts in Beijing said, it could stall any Cambodian peace initiatives and, as a result, absolve Vietnam from withdrawing its troops from Cambodia in September 1989.

To this end, I should like to make the following remarks.

1. It would not be equitable to make me responsible for the non-resolution of the Cambodian problem and the non-withdrawal of all Vietnamese troops from Cambodia in September 1989. The so-called withdrawal of the last Vietnamese troops from Cambodia in September 1989, according to Hanoi itself, would be effected on the condition that it is preceded by an agreement on a satisfactory solution to the Cambodian problem by the four Cambodian factions.

However, how can an agreement on a political settlement of the Cambodian problem be achieved when Mr Hun Sen absolutely and stubbornly refuses to give the Cambodian people their right to self-determination?

More recently, in Bangkok for instance, Mr Hun Sen declared unequivocally that it would be out of the question to remove the regime called the PRK, set up and installed in Cambodia by communist Vietnam. According to Mr Hun Sen, the PRK and its government will organize the general elections themselves while refusing to implement the UN resolutions on Cambodia, resolutions adopted in 1988 by an overwhelming majority of the member states, 122 against 19.

It is absolutely wrong to say that Samdech Norodom Sihanouk has hardened his stand and that the Cambodian resistance has made exorbitant claims because Sihanouk and the Cambodian resistance have asked Hun Sen and the PRK for one thing only, that it allow the Cambodian people, the sole real owner of Cambodia, to freely express themselves on the name they want to give their country and on the political, economic, social, and cultural regime and press they want Cambodia to have.

For general elections in Cambodia to be free and normal, they should be held outside the illegal framework of the PRK, not recognized by the United Nations, and even outside that of the CGDK, the DK, which is by right recognized by the United Nations. Out of respect for the Cambodian people and their sacred, inalienable right to self-determination, the CGDK and the DK state, which are by right recognized by the United Nations, have unambiguously agreed to dissolve themselves before general elections. They have even agreed to peacefully and sportively make way for the PRK if Hun Sen and his group are victorious in the general elections, which should be controlled by the United Nations, or at least by an ICC—International Control Commission—officially accredited by an international conference on Cambodia of the 1954 Geneva type.

However, general elections within the framework of the illegal PRK, a creature set up by communist and colonialist Vietnam, are absolutely unacceptable. Knowing this, the SRV has tried to dupe international opinion and naive analysts into believing it will really withdraw its remaining troops from Cambodia in September 1989 if the four Cambodian factions reach an agreement among themselves by then. The SRV has already agreed with Hun Sen such an agreement between Phnom Penh and the Cambodian resistance impossible, knowing that the latter will never allow Hun Sen and his PRK to deprive the Cambodian people of their sovereignty and right to self-determination.

I, therefore, bitterly regret that some foreign circles in the free world have made me responsible for the non-resolution of the Cambodian problem and the non-withdrawal of all Vietnamese troops from Cambodia in September 1989 while naively falling into the trap grossly laid by the Hanoi Vietnamese and their lackeys in Phnom Penh.

2. I would like to remind everyone that I have resigned from the presidency of the DK. It is Prince Norodom Ranariddh who has replaced me in the CGDK's tripartite resistance forces. Affirming that I alone can block the search for peace in Cambodia is giving me too much honor and too much importance. I want peace for my people more than anyone else. These people have themselves fully agreed with me in refusing peace à la Vietnam and peace in which Cambodia does not have national independence and the Cambodian people's right to self-determination is not restored.

For this reason, I would like to remind everyone that it is the SRV that blocks Cambodian freedom and independence since it invaded my country in 1978. And it is Red Vietnam and the Soviet Union, along with their accomplices, which insolently and persistently oppose the peace process in the United Nations, and have unjustly voted to oppose the correct UN resolutions on Cambodia.

I would like to stress that in 1988, 122 justice-, peace-, and freedom-loving countries voted to support these resolutions at the United Nations. It is not I, Sihanouk, who opposes implementation, both in the country and in the international arena, of these UN resolutions. On the contrary, I have demanded full implementation of the resolutions and as soon as possible. It is Red Vietnam, the Soviet Union, and the PRK that have successively destroyed the UN resolutions.

The fact that the SRV only talks about its troop pullout in September 1989 is not enough. Only when communist Vietnam implements the UN resolutions can it show the world the sincerity in its peace activities.

3. I fully realize that the PRC, France, Indonesia, and Thailand are sincerely sympathetic to Cambodia and the Cambodian people. In my humble view, it is futile to rely on any meager assistance provided by the Soviet Union, the SRV and Hun Sen, and the PRK to the sincere friends of Cambodia to progress in the search for peace in Cambodia. In my humble opinion, we should turn to the United Nations, the UN Security Council, the UN International Conference on Cambodia, and UN Secretary General Javier Perez de Cuellar to try to pressure Vietnam and Hun Sen into accepting the peace process for Cambodia.

As for the Cambodian resistance forces, they should continue the armed struggle against the Vietnamese colonialists in Cambodia. For us Cambodians this is the greatest possibility for achieving peace and independence for Cambodia.

VONADK Cites Sihanouk Statement
BK3101085889 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian
2315 GMT 30 Jan 89

["Excerpts of statement made by Samdech Norodom Sihanouk in Beijing on 28 January 1989"—read by announcer in French]

[Text] Declaration of Norodom Sihanouk of Cambodia.

Beijing, 28 January 1989

An AFP cable from Beijing dated 26 January 1989, among other things, said this:

[Following paragraph read in English Norodom Sihanouk announced Thursday [26 January] that he will not take part in peace talks on Cambodia that have already been planned for this year. Analysts said Sihanouk's announcement has blocked all political solutions to the decade-old Cambodian conflict for the immediate future. If Sihanouk sticks to the decision, analysts in Beijing said, it could stall any Cambodian peace initiatives and, as a result, absolve Vietnam from withdrawing its troops from Cambodia by 30 September 1989.

To this end, I should like to make the following remarks. It would not be equitable to make me responsible for non-resolution of the Cambodian problem and for the non-withdrawal of all Vietnamese troops from Cambodia in September 1989. The so-called withdrawal of the last Vietnamese troops from Cambodia in September 1989, according to Hanoi itself, would be effected on the condition that it is preceded by an agreement on a satisfactory solution to the Cambodian problem by the four Cambodian factions.

However, how can an agreement on a political settlement of the Cambodian problem be achieved when Mr Hun Sen absolutely and stubbornly refuses to give the Cambodian people their right to self-determination?

More recently, in Bangkok for instance, Mr Hun Sen declared unequivocally that it would be out of the question to remove the regime called the PRK, set up and installed in Cambodia by communist Vietnam. According to Mr Hun Sen, the PRK and its government will organize the general elections themselves while refusing to implement the UN resolutions on Cambodia, resolutions adopted in 1988 by an overwhelming majority of the member states, 122 against 19.

It is absolutely wrong to say that Sihanouk has hardened his stand and that the Cambodian resistance has made exorbitant claims because Sihanouk and the Cambodian resistance have asked Hun Sen and the PRK for one thing only, that is to give the Cambodian people, the sole real owner of Cambodia, the right to freely express themselves on the name they want to give their country, and on the political, economic, social, cultural regime, and press that they want Cambodia to have.

For general elections in Cambodia to be free and normal, they should be held outside the illegal framework of the PRK, not recognized by the United Nations, and even outside that of the CGDK, the DK, which is by right recognized by the United Nations. Out of respect for the Cambodian people and for their sacred and inalienable right to self-determination, the CGDK, Democratic Kampuchea, which is by right recognized by the United Nations, has unambiguously agreed to dissolve itself

before general elections. It has even agreed to peacefully and sportively stand on the side if Hun Sen and his group are victorious at these general elections, which should be controlled by the United Nations, or at least by an ICC [International Control Commission] officially accredited by an international conference on Cambodia of the 1954 Geneva type.

However, general elections within the framework of the illegal PRK, a creature set up by communist and colonialist Vietnam, are absolutely unacceptable. Knowing this, the SRV has tried to dupe international opinion and naive analysts into believing that it will really withdraw its last troops from Cambodia in September 1989, unless the four Cambodian factions fail to reach an agreement between themselves. The SRV has already agreed with Hun Sen to make such an agreement between Phnom Penh and the Cambodian resistance impossible, knowing that the latter will never allow Hun Sen and his PRK to deprive the Cambodian people of their sovereignty and right to self-determination.

I, therefore, bitterly regret that some foreign circles in the free world have made me responsible for the non-resolution of the Cambodian problem and the non-withdrawal of all Vietnamese troops from Cambodia in September 1989 while naively falling into the trap grossly laid by the Hanoi Vietnamese and their lackeys in Phnom Penh.

Sihanouk Demands for Cambodian Solution
BK3101083889 (Clandestine) Voice of the Khmer in Cambodia 0430 GMT 31 Jan 89

[Text] Funcinpec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] President Samdech Preah Norodom Sihanouk has said that he will not change his attitude toward the search for a political solution to the Cambodia problem until he can clearly see that Hanoi and the Heng Samrin regime, which is propped up by the Vietnamese, agree to change their attitudes concerning the search for a just solution to the Cambodian problem.

The points on which he wants to see Vietnam and the Heng Samrin regime change their attitudes toward are as follows:

- a. Vietnam and the regime it props up should change their stand of refusing to dissolve the illegal PRK regime.
- b. They should agree to setting up of a four-party coalition government between the tripartite Cambodian resistance and the Heng Samrin side within [neou kraom] the PRK framework and outside [krau] the framework of the DK. [paragraph as heard]
- c. They should change their attitude of refusing to cooperate with the DK army within the quadripartite national army.

31 January 1989

d. They should change their stand on demanding a supreme role in the future Cambodian Coalition Government.

e. They should change their stand on demanding that free elections be held under the illegal framework of the PRK; otherwise these elections would not be free.

f. They should change their stand of refusing to accept international peacekeeping forces in Cambodia, which is necessary in ensuring security in Cambodia.

Samdech Preah Norodom Sihanouk expressed his stand in a press communique dated 31 December [as heard] released by the office of his personal representative in Cambodia and Asia.

Prince Norodom Ranariddh, personal representative of Samdech Preah Norodom Sihanouk in Cambodia and Asia and commander in chief of the ANS [Sihanoukist National Army], has decided to attend the second informal meeting in Jakarta to be held from 19 to 21 February.

Indonesia

India's Natwar Singh Arrives in Jakarta

BK2901151889 Jakarta Domestic Service in Indonesian
1500 GMT 29 Jan 89

[Text] The Indian Government hopes that Cambodian leader Sihanouk will reconsider his decision and attend an informal meeting on Cambodia in Jakarta next month. Upon arrival at Jakarta's Sukarno-Hatta Airport today, Natwar Singh, Indian minister of state for external affairs, said the success of the second Jakarta informal meeting will not be affected by Sihanouk's decision.

Tomorrow morning, the Indian minister of state for external affairs will convey a message from Prime Minister Rajiv Gandhi to President Suharto. The message contains in particular the results of his meeting with Vietnamese officials in New Delhi last week.

Meets With Suharto

BK3001075189 Jakarta Domestic Service in Indonesian
0700 GMT 30 Jan 89

[Text] Following his meeting with President Suharto in Bina Graha this morning, Indian Minister of State for External Affairs Natwar Singh said the Indian Government gives full support to the planned second Jakarta informal meeting, JIM 2, on 19 February 1989 in Jakarta. He said that his visit to Indonesia, carrying the message from Prime Minister Rajiv Gandhi, is to show that his country realistically supports Indonesia's initiative to resolve the Cambodian issue.

During the meeting, Minister Natwar Singh also reported to President Suharto on the Indian prime minister's visit to China and Pakistan.

Answering a question, Natwar Singh said he is optimistic that some progress has been made in the process to solve the Cambodian problem.

Meanwhile, Foreign Minister Ali Alatas said that the process of JIM 2 will go on without Prince Sihanouk's presence.

Conveys Gandhi's Message

BK3001095989 Jakarta ANTARA in English
0932 GMT 30 Jan 89

[Text] Jakarta, January 30 (OANA/ANTARA)—Indian Minister of State for Foreign Affairs K. Natwar Singh on Monday delivered a letter and an invitation from Prime Minister [PM] Rajiv Gandhi to President Suharto to visit India.

"I also explained about the results of the recent discussions between PM Gandhi with the Secretary General of the Vietnamese Communist Party, Nguyen Van Linh, in New Delhi", Natwar Singh told newsmen at Bina Graha Palace here after he was received by President Suharto.

At the courtesy call which was also attended by Foreign Minister Ali Alatas, the Indian minister of state for foreign affairs also explained about PM Gandhi's visit to People's China and Pakistan and the latest situation in Sri Lanka.

With the president, he also discussed the Chinese and Vietnamese perception and evaluation of the settlement of the Kampuchean problem and their views on the second Jakarta informal meeting (JIM-II) in the third week of next February.

He refused to disclose the content of the discussion to the newsmen. He only said, "We support the Indonesian efforts to hold the JIM-II and I have the impression that Vietnam is also supporting the JIM-II, stating that it will attend the meeting".

Asked by the press whether India will participate at the JIM-II, he answered diplomatically, "Nobody has asked us, but I think that the meeting is limited to parties directly involved".

When newsmen asked Foreign Minister Ali Alatas whether the JIM-II participation will be expanded, the Indonesian foreign minister explained that the JIM-II, as was the case with JIM-I, will only be attended by directly involved parties. "But from the start it has been under consideration to broaden the JIM-II process towards an international conference", Ali Alatas said.

Asked whether India supports the presence of foreign troops in Kampuchea, Natwar Singh stressed that India has always opposed foreign power intervention.

Natwar Singh arrived in Jakarta on Sunday for a two-day visit to Indonesia. He is scheduled to proceed to Bangkok Monday evening.

The main purpose of his visit to Indonesia is to brief the Indonesian head of state about the results of the meeting between PM Gandhi and Nguyen Van Linh.

February Price of Japan-Bound Oil Raised
BK2801041389 Jakarta THE JAKARTA POST
in English 23 Jan 89 p 1

[Excerpt] Jakarta (JP)—The price for Indonesia's benchmark crude oil, Minas, for February delivery to Japan will increase by 17 percent to U.S \$17.56 a barrel from this month's level of \$15, Minister of Mines and Energy Ginanjar Kartasasmita said here Saturday [21 January].

He told reporters after meeting with President Suharto at Bina Graha [presidential office] that Japan, the largest buyer of Indonesia's crude oil, has agreed to increase the payment for oil it will buy from the State Oil Company Pertamina next month due to the rising prices on the world market.

Steady declines of oil prices on the world market since the beginning of last year forced Pertamina to increase its marketing allowance for its Japanese sales agents from \$1.10 a barrel last June to \$5.06 in December.

Ginanjar said since Japan is Indonesia's largest oil buyer, other importers should follow Japan's step to raise the price for the oil they will buy from Indonesia. [passage omitted]

Government Not To Reschedule Debt Repayment
BK2701143789 Jakarta ANTARA in English
0958 GMT 27 Jan 89

[Text] Jakarta, Jan 27 (ANTARA/ECO/OANA)—Minister of Finance Prof. J.B. Sumarlin has firmly stated that the government would not reschedule payment of its foreign debts in order to maintain its credibility in international community.

Addressing a meeting of an ad-hoc committee for the fifth Five Years National Development Plan (Repelita V) of the House of Representatives here Thursday, the minister said that repayment of the country's foreign debts is the government commitment in order to maintain trust and confidence among the creditor countries.

Therefore, he went on, they would not hesitate to increase their aid if Indonesia repaid its debts on time.

The minister also reiterated that the government would reduce in stages the debt service ration (DSR) from 35 percent to 25 percent by the end of Repelita V.

According to him, the high DSR was caused by the weakening of the US dollar currency against several other currencies, such as Japanese yen and West German mark in the international market.

In this connection, he further said the government, besides to boost exports of non-oil/gas commodities, would also focus the use of the loans for projects which are given high priority in the Repelita V.

On the occasion, the minister also stressed on them importance for the continuation of borrowing money from abroad to finance most of the development projects in the years to come.

"There is no single country which doesn't have foreign debts, even the United States and the Soviet Union," he insisted.

Concerning the last year's government's deregulatory measures the minister said that they were not aimed at promoting a liberal economy.

The policies, he said, were aimed at improving and accelerating the business climate and encouraging economic growth and employment opportunities.

According to Sumarlin, under these measures, the government has eased restrictions on import of basic materials, lowered import duties in several products and allowed the opening of new national and sub-branches of foreign banks.

The minister also said that the government was determined to eliminate any monopoly of businesses which might affect the public's interest.

The House ad-hoc committee meeting was also attended by State Minister for National Development Planning/Chairman of the National Development Planning Board (BAPPENAS) Saleh Afiff, Junior Minister of Finance Nasrudin Sumintapura, Chairman of the Development Auditing Board (BPKP) Gandhi, and an executive of Bank Indonesia, Binhadi.

Laos

Education Delegation Departs for United States
BK2801112089 Vientiane KPL in English
0911 GMT 28 Jan 89

[Text] Vientiane, January 28 (OANA-KPL)—A Lao delegation led by Prof Bountiam Phitsamai, deputy minister of education, culture and sports, left here on January 26 for the United States of America.

The delegation is to discuss with the representatives of the World Bank loans for the construction of the polytechnical college "December 2nd." The delegation is also

to attend a tripartite meeting of the representatives of Laos, the World Bank and Switzerland on gratis assistance rendered to the construction of the polytechnical college.

Results of Hun Sen's Bangkok Visit Praised
BK3101062589 Vientiane Domestic Service in Lao
0000 GMT 30 Jan 89

[Feature: "Hun Sen's Visit to Thailand Brings About a Positive Result"]

[Text] Hun Sen, Chairman of the PRK Council of Ministers and PRK foreign affairs minister, has ended his visit to Thailand. The visit was in response to an invitation from Chatchai Chunhawan, prime minister of the Kingdom of Thailand. Hun Sen stayed in Thailand for 3 days. On the first day of his visit, Hun Sen, in a press statement made at his residence in the Central Plaza Hotel, thanked the prime minister of the Kingdom of Thailand for the invitation, which he regarded as a way to broaden relations between the two countries, thus creating favorable conditions for a settlement of various problems—in particular, the intensification of efforts to achieve peace in Cambodia and Southeast Asia.

In a meeting during the visit, the two sides discussed many issues of common interest—for example, political, economic, and trade issues. Following these consultations, the two sides were informed of each other's views on a settlement of the Cambodian problem. Suwit Yotmani, Thai Government spokesman, said the meeting and talks proceeded in a friendly, straightforward atmosphere.

Thailand and the PRK have set up a committee on economic cooperation between the two countries. The agreement was reached on 26 January between the Cambodian delegation and a delegation of Thai counterparts comprised of Panya Singsakda, secretary to Prime Minister of the Kingdom of Thailand Chatchai Chunhawan, and a number of leading Thai businessmen.

During the meeting, Hun Sen proposed setting up joint ventures with Thai businessmen in wood exploitation, gem exploitation, tourism, trade, industrial investment, and communications. Hun Sen also proposed acceptance of the PRK as a member of the Mekong River Organization. He said: Cambodia is ready to cooperate with Thailand in fishing, with some 200 to 300 fishermen involved at the beginning, and in fish processing. The fishing areas are located in Cambodian waters adjacent to Koh Kong and Kompong Cham. Regarding wood exploitation, Hun Sen said Cambodia can exploit wood in Pursat, Battambang, and Banteay Meanchey Provinces and that Thailand can invest in setting up wood processing factories in Cambodia. As for gem exploitation, Hun Sen said: Cambodia wants not only to sell gems to Thailand, but to cooperate with Thailand in exploiting gems in areas adjacent to the Cambodian-Thai border. With regard to tourism, he said: A large number of tourists want to tour Cambodia, but we do

not have sufficient airlines and hotels to accommodate them. He proposed that Thailand invest in building hotels in Siem Reap and Phnom Penh. He also proposed opening a Phnom Penh-Bangkok air route. On trade, Hun Sen noted that Thai goods to Cambodia have to go through Singapore. He proposed direct trade contacts. Cambodia also has raw materials, but lacks production means. This is why it sends those raw materials to Thailand as exported goods while, in return, importing a variety of finished products from Thailand. Hun Sen proposed that the Thai side invest in restoring certain factories and plants in Cambodia. He also proposed opening the route linking Cambodia's Banteay Meanchey and Thailand's Aranyaprathet.

Assessing the results of the visit, the Thai paper THE NATION, in its 26 January issue, said the Foreign Affairs Commission of Parliament supported the meeting between Hun Sen and Chatchai Chunhawan. Sutham Saengprathum, spokesman for the commission, said after a consultative meeting on 25 January that all members of the commission supported Prime Minister Chatchai Chunhawan's new diplomatic policy toward Indochina and that the meeting between Hun Sen and Chatchai Chunhawan on this occasion is seen as a significant contribution to efforts to settle the dispute in Cambodia.

On his way back to Cambodia, Hun Sen stopped over in Vientiane. At the VIP room of Wattai Airport, Council of Ministers Chairman Hun Sen thanked the staff of advisers to the prime minister of the Kingdom of Thailand for accompanying the delegation to Vientiane. Hun Sen again conveyed profound thanks to Thai Prime Minister Chatchai Chunhawan for according him a warm welcome and for providing all conveniences to him and his delegation during their visit to Thailand. Hun Sen also reiterated his readiness to meet with Chatchai Chunhawan again at any time to contribute to seeking a means for settling the Cambodian problem at an early date on the basis of genuine righteousness and justice.

Philippines

700 Students Demonstrate at U.S. Embassy
HK3101105189 Hong Kong AFP in English 1019 GMT
31 Jan 89

[Text] Manila, Jan 31 (AFP)—Some 700 leftwing students demonstrated in front of the U.S. Embassy here Tuesday, destroying effigies of U.S. President George Bush, former President Ronald Reagan and President Corazon Aquino.

The students, who marched from a Manila university, threw crumpled paper at the effigies, which they later destroyed by hitting them with sticks, eyewitnesses said.

"Dismantle all U.S. military bases now," said one streamer carried by the students, while some 40 anti-riot policemen blocked them from getting closer to the embassy gates.

The students were commemorating the historic series of anti-U.S. and anti-government demonstrations in Manila streets in the first quarter of 1971. Former President Ferdinand Marcos cited the violent demonstrations as one of the reasons why he declared martial law in 1972.

Mr Marcos was toppled from power in a popular revolt that installed Mrs Aquino in 1986.

The Philippines hosts Clark Air Base and Subic Naval Base, the two biggest U.S. military bases overseas.

Panel Interviews USSR Ambassador on Tles
HK2701130189 Quezon City People's Television 4
in English 1400 GMT 26 Jan 89

["Headline" program with host Sylvia Mayuga of the PHILIPPINE DAILY GLOBE and cohost Bobby Tigla of THE MANILA CHRONICLE; panelists Senator Leticia Shahani; Soviet Ambassador to the Philippines Oleg Sokolov; Philippine Ambassador to the USSR Alejandro Melchor; Department of Trade and Industry Under Secretary Raul Boncan; and Prof Merlyn Magallona, director of international studies of the University of the Philippines College of Law—live or recorded; location not given]

[Excerpts] [Mayuga] Good evening. What's been happening is that a lot of Filipinos, a lot more Filipinos, have been going to the Soviet Union for a closer [words indistinct], and out of these personal impressions we are beginning to redefine our terms about that distant stranger called the Union of Soviet Socialist Republics.

We are very lucky because with us tonight is an all-star cast as far as [words indistinct] is concerned. To my right is Senator Ramos-Shahani [words indistinct]. She was our ambassador to Romania from 1975 to 1978, and now she is chairman of the Senate Foreign Relations Committee. Next to her, Ambassador Sokolov, who is the Soviet envoy to Manila. And he has this reputation in media as someone who chooses his public fora with great care. So we are privileged to [words indistinct] Sokolov in this panel tonight. Beside him is Ambassador Extraordinary and Plenipotentiary to the Soviet Union Alejandro Melchor Jr, who was not [words indistinct] that prompted opening our diplomatic windows to the socialist bloc in the seventies, but is also our man in Moscow today, a very historical time for both our countries and the world.

To my left, we start with our guest Under Secretary of the Department of Trade and Industry Raul Boncan; Prof Merlyn Magallona, director of the UP [University of the Philippines] School for International Relations; and of course my colleague Mr Rigoberto Bobby Tigla of THE MANILA CHRONICLE. He is the business editor.

So can we start with the first question to Ambassador Melchor, because I'm a little surprised to see you here after the Christmas holiday. I thought you would have returned to Moscow by now. Does this have anything to do with the results of the visit of Foreign Minister Shevardnadze?

[Melchor] Well, not only the visit of Foreign Minister Shevardnadze but [words indistinct] there is a Soviet parliamentary delegation headed by Mme Tereshkova. And then, of course after that visit, I was very fortunate I was here. I did stay around for that. But I've also been having meetings with Secretary Concepcion, Secretary Arizabal, who are going to the Soviet Union to, I think, operationalize some of the [words indistinct].

[Mayuga] So you are already at the stage where you are discussing the agenda for the president's visit?

[Melchor] Well, I think the president had said that [words indistinct] secretary and also president of the RP [Republic of the Philippines]-USSR friendship society will be going to the Soviet Union on an official visit in February. Then followed by Secretary Concepcion, who will also be going on an official visit in March, and then the secretary of foreign affairs himself, who has indicated that he'll be going in late April.

[Mayuga] Mr Ambassador, it takes two to tango at this point, so I would just like to ask Ambassador Sokolov now what are your own expectations from this official visit?

[Sokolov] [Words indistinct] constitute a very important part [words indistinct] of our relationship leading to other fields of relationship to be opened up. I think that we, in general, attach great importance to the relationship with the Philippines. We consider ourselves as part of this same region, and quite logically so because the bulk of the territory of the Soviet Union lies in Asia. And even in terms of our economic development, we have come to realize that whatever plans we have for the development of the far eastern part of our country—and these are quite ambitious plans, I would just cite a couple of figures: By the year 2000, to increase the industrial production of our eastern part by two and a half [word indistinct], and insofar as our exports capabilities, three and a half [word indistinct].

Now we have come to realize that this is (?attainable) with our very active interaction with the other countries of the region. The more so that we belong to that same region and territory-wise, geography-wise, logically-wise it makes all the sense in the world to trade and [words indistinct] the best of this region. So it's no longer a matter of our trading or not trading with the rest of the region, to be or not to be in the region. It is a matter of an absolute economic necessity for the Soviet Union, especially that part of the Soviet Union which is in Asia. So it seems quite logical for us to develop our contacts

with all the countries of the region. That includes everybody. That includes, of course, the countries of ASEAN, and that of course includes the Philippines. So we are trying as best we can and we shall keep (?in line).

[Mayuga] So far, are you happy with the results of your efforts in this part of the world?

[Sokolov] Well, I cannot really speak for all of that side.

[Mayuga] You could go country to country, even city to city.

[Sokolov] Alright. I've been here for slightly over a year. And, well, if you ask my opinion—I don't know what is the opinion of Moscow—but my opinion is that, yes, we have been making steady progress.

[Mayuga] On a scale of 10, how does the Philippine reaction compare with the reactions of the other ASEAN countries, to be specific?

[Sokolov] Well, it's very difficult for me to judge. I'm here in Manila and not in Bangkok or Singapore. But I think that, as I have said, we have been making steady progress and I'm quite optimistic on the prospects of our overall relationship between our two countries.

[Tiglaio] I was just wondering, I was reading the 1987 report of our embassy in Moscow, and frankly I was quite surprised to find out that there were a lot of detailed plans on more bilateral relationships in the economic field with Manila. You had these plans for the Nonoc technology transfer, you had plans for this coal-fired plant. But the report was in 1987. I was wondering, it's 1989 now and I don't hear of any real developments regarding this field. To be quite frank with my question, is it a problem of, really, of a red scare in the Philippines, and why?

[Sokolov] Well, I think that we should address that question to the Filipino representative here on the panel. But my answer is we do have a lot of these projects still on our agenda and if you [words indistinct] Isabela coal power plant project is still on insofar as we're concerned. And I think that we have a lot of other things on our agenda, and they need to be discussed in more detail. They need to be made operational and [words indistinct] to be subject to the meetings that we have normally on the political scale, or political level, but also on the level of respective ministries, or secretaries, or amalgamations, or cooperatives. Incidentally, I would like very much to draw your attention to one particular feature of perestroika, which is sometimes overlooked, but which I think holds a lot of potential for our economic interaction.

You see, we are trying not only to reshape our own country internally, but also to restructure our external economic mechanism. That means, in particular, that we

are giving more [words indistinct] ministries, republics, industries, amalgamations, cooperatives, and so forth of direct access to foreign markets.

[Sokolov] Now the latest figure that I have of the number of such amalgamations and cooperatives that have been given those rights is about 200 nationwide. But starting April this year, all—practically all of the industrial and other units in the Soviet Union—will have that right, and will have to take the risks of going directly to the foreign market. That in itself, I think, would promote our foreign economic activities, and even now we have a good example of people traveling in the Philippines and in a group of free people coming from [words indistinct].

[Passage indistinct] or problems that Filipinos have, have to be resolved by the Filipinos themselves. Insofar as we are concerned, we have no barriers whatsoever to increased trade with the Philippines. In fact, as I said, we feel that it's not only a matter of our wanting to contribute to our own development through increased trade with all the countries of the region, but it is an absolute economic necessity for the Soviet Union. And, therefore, I think that every member is responsible for his own production, for his own exports, for his own constituency in the Soviet Union, especially in the Asian part of the Soviet Union. We will be looking forward to having increased interaction with the other countries of the region. But, of course, it's up to the Filipino side itself to decide whether or not it's feasible, or advisable, or good, or in the interest of the Philippines...

[Tiglaio, interrupting] I was wondering, how about the problem of convertibility of the Russian ruble? Is it a big problem?

[Sokolov] It is a big problem. It is something which will have to be resolved in the future. But I think that in terms of a political decision to go along that route, that decision is coming. Of course, it's not going to be automatic. It's going to be gradual, phased-wise. But I think that you will probably see that situation in several years.

[Mayuga] Now I believe that the Department of Foreign Affairs, in that work program, already went into a lot of details about these kinds of arrangements where we would go trilateral. I was wondering because Ambassador Melchor and I believe—Senator Shahani, we discussed this together on your visit to Vladivostok—I wonder if you could tell us a little more about these trilateral arrangements whereby we would circumvent the problem of the ruble being nonconvertible in the international market?

[Melchor] Well, when we first discussed the Isabela coal-fired power plant, it was proposed by the NPC [National Power Corporation], and Secretary Alvarez convened a meeting of several people who had some ideas on how we might translate the Vladivostok initiative of Gorbachev as a stimulus, an external stimulus, to

develop the economy in the country. And NPC came up with this proposal because of the decision to shut down the Bataan nuclear power plant. We would need to come up with something to make up for that 600 megawatts that was lost. So they've completed the studies for the Isabela coal-fired power plant, the coal mine, the power transmission line. [Words indistinct] was Mr David Consunji, representing the Filipino Contractors International Corporation or consortium, 26 of our largest [words indistinct]. [Words indistinct] for the Isabela coal-fired power plant was—he said roughly that its going to cost about—over \$400 million. Ten thousand Filipinos working for 10 years in Siberia would take care of that. Now, of course, he said that in jest. But out of that evolved our manpower program for export to the Soviet Union. But right now, with respect to the Isabela coal-fired power plant, I think we overcame the problems of security. General Canieso is a very professional man [words indistinct].

[Melchor] With respect to this project there are certain risks involved. He laid these risks out and it's up to the policy people to decide whether they're willing to accept these risks. Just like in any project, there's also business risk. And so with that as a background, where we stand now is [words indistinct]. [Passage indistinct] plant, it's going to be located at the [words indistinct] in Isabela. And his experience with our coal mines here is that they are very poor-grade coal mines and they are low energy-value, and the coal seams are very thin. And he's afraid that if that coal mine does not turn out to have good quality coal in terms of mining and also in terms of heating value, and that if we have to bring in coal from either Semirara or from abroad, this mine is located inland and so that is going to present some problem. But then, I think the Soviets, in consortium with the Finns, were given this problem.

[Mayuga] The Finns?

[Melchor] Yes, Finns. Incidentally, there is an American who wants to participate also and an Austrian group. There are probably many flags in this project. Probably they will undertake this project because their prestige is at stake. They are not just going to try to sell the equipment. They are going to investigate the coal mine, make sure of the quality of the coal, and they will design the boilers to burn the particular coal in the area. As far as paying for it, the new policy of NPC is a [words indistinct] and transfer approach in terms of the project. So, that in itself will leave to the proponents on how to finance the project. It does not enter into any external debt program. It does not add to our debts and that is one of the nice features of this project.

[Mayuga] Thank you, I think we are going to have a break now. [commercial break] We are back and we were just discussing the Isabela coal-fired plant. It is under discussion right now between the Soviet and Philippine Governments, but it is a little bit difficult for me to understand all these details. So we would like to bring it

down to the level of the layman. If a Filipino businessman wants to start a business in the Soviet Union, what would it be like for him? [chuckles] Because I saw that there was this mention of a Philippine restaurant in Moscow. What kind of procedures would you have to get into, Mr Sokolov?

[Sokolov] Oh, I think the best thing and the most direct route to take would be to go to Moscow for that Filipino entrepreneur. Of course, we have our trade representation here in the Philippines, in Manila, and they could help a lot in terms of identifying what are the rules and obligations. I think, given the dynamics of our own restructuring, it is best to, you know, sort of, get it straight from the horse's mouth rather than around it. Ah, but as I said, there are no barriers, insofar as we are concerned, to anything that would constitute an increase in our trading with each other. Well, the advice would really be: Go there, tap whatever resources we have, and to offer your own.

[Tiglaio] Is it as easy as getting in touch with the Soviet company or what?

[Sokolov] Oh, yes, your visa would be ready in 3 days. And you're on. I mean there are no problems insofar as we are concerned.

[Tiglaio] A lot of businessmen feel... [changes thought] I was just asking Under Secretary Beltran that PITC [Philippine International Trading Corporation] has to clear all of these. The PITC has to clear all trade with the socialist bloc.

[Sokolov] Well, this is something that is obviously for the Philippine side to answer, and probably Under Secretary Boncan will shed some light on this, but I am taking or answering the questions insofar as the Soviet Union side is concerned.

[Boncan] You don't really have to clear transactions, either import or export, with the Soviet Union, but what we do require is for transactions to be registered, just to inform the PITC after the transactions so that we have a facts monitoring of what is happening. Our private sector is not familiar with the Soviet Union system. In the past, admittedly, the Philippines had traded not only with the Soviet Union but with the socialist bloc. But we are used to trading with hard currency and this is always the problem with our socialist friends. They could prefer to go on counter-trade and this is something that we are not familiar. However, the Department of Trade and Industry [DTI] at the present time is very, very strongly trying to enhance and increase our trade relations with the Soviet Union.

[Tiglaio] What steps is the DTI taking? When Secretary Concepcion talks about increasing our exports, all this talk about the European market, the U.S. market, but I

have not really heard him talk about tapping the markets of the socialist bloc. Do you even have an office dealing with trade with the socialist bloc?

[Boncan] We really have the PITC that we have charged with dealing with the socialist bloc. And then again, this is a recent happening. As I said, the Philippines has really neglected looking at our friends in the Soviet Union. So we are now... [changes thought] We have an ongoing negotiation for counter-trade of coal from the Soviet Union versus coconut oil. We are working this out and hopefully very soon we will have our first transaction. In the past, we were not even talking about these things.

[Mayuga] So, at this stage, we are talking possibilities and new structures. Perhaps, Senator Shahani, could you shed some light? What new structures do we need now to be able to service all these potentials for both our countries?

[Shahani] Well, I think insofar as the Philippines is concerned, I am not really thinking so much of maybe a bureaucratic structure, but I think new attitudes, a new way of looking at the outside world. I mean, when Undersecretary Boncan said we have neglected Eastern Europe, now when I was ambassador there—I can't believe it—certain years ago... [changes thought] A country like even Taiwan has a \$2.3-billion volume of trade with Eastern Europe. So does Japan, so does Singapore, Thailand, our ASEAN neighbors. It is not really a matter of neglect. I am sorry, I have to disagree, Raul. Really, unfamiliarity. I think we need more a sense of adventure, since after all, it is a change of attitudes. I mean we have been used to trading with the Americans. You know, you open your attaches, show your samples and ask: Do you want to buy this? Well, you don't exactly do this in the Soviet Union. You have to, maybe, get to know the representatives of the trade organizations etcetera, and I think our businessmen and women should know more about trading procedures.

I am not really all that in favor of PITC being the focal point of all our trade. That was alright, let's say, 13, 15 years ago when we really did not know anything about that part of the world. But now we have had some experience with glasnost, perestroika, I would suggest we have more seminars on how to, whom to approach, maybe learn Russian—that is very vital. Well, just get some basic information. I think we just have to start from the basics, and I would also agree with what Ambassador Sokolov has said, that the Soviet Far East, which is close to us—not maybe so cold, I mean in terms of weather, etcetera—is a very good venue for trade and commerce.

[Mayuga] Now, the first thing is to see it. Now, I am quoting all over again Secretary General and President Gorbachev: better to see once than to hear a hundred times. So, how to see the place is the problem. Aeroflot has been trying to [words indistinct] for I don't know

how long now. Ambassador Melchor, you have been discussing this landing right and you have pointed out in your report to Department of Foreign Affairs [DFA] that there is a benefit to going to Europe via Moscow the way Singapore, Thailand, and Malaysian airlines are doing. So, what are we doing about this now?

[Melchor] Well, I was talking to the Philippine Airlines people, and one of the things we are looking at... [changes thought] Because Secretary Concepcion, when he is going to the Soviet Union, he is going to enter the Soviet Union through Vladivostok. And so, how are you going to get there? There is only one flight a week out of Tokyo and goes to Khabarovsk, and that flight is full. And with all these interests in the Soviet Far East, there is a lot of traffic and a lot of benefits can be derived. So, I was suggesting to Secretary Concepcion that he flies in direct to Vladivostok. It is a closed city right now, it is under military control, but eventually, it will be opened. And so if he flies in, say, with a Philippine Airlines plane, that would be a very attractive route for Philippine Airlines. Either Tokyo-Vladivostok or Seoul-Vladivostok, and don't give all that business to Japan Airlines. That might be the quid pro quo in terms of allowing Aeroflot to come in.

[Sokolov] Absolutely. Can I just have a second? I think it is very important to understand that we are not just, want to extend our Aeroflot routes to the Philippines, although we do have direct connections by air to Singapore, to Kuala Lumpur, to Bangkok amongst the ASEAN countries, but we are certainly offering in return whatever would be interesting for the Philippine Airlines to take, be it a part of that route or the whole. So, it is indeed going to be a quid pro quo attitude and approach. Certainly, it is not going to be nothing for something or vice versa. This is going to be an absolutely fair deal.

[Mayuga] Now, as far as Vladivostok is concerned, can I just be updated a little on my geography? You keep talking about Nakhodka. Is that the city that you think... We have to start with geography lessons.

[Melchor, displaying map] This is Vladivostok here. Here is Nakhodka, and there is another port, Vostochnyy. These are the three ports which are called the gateways to the Soviet Far East, Siberia, and Europe.

[Mayuga] You were also speaking about [words indistinct] to our traditional markets in Western Europe through Nakhodka.

[Melchor] Yes.

[Mayuga] Through Nakhodka and then the Trans-Siberian Railway by train toward Western Europe.

[Melchor] This is the thrust also that Gorbachev, in terms of trying to attract trade and economic cooperation with countries in the region, has stressed. The geographical advantage of the Soviet Union as a gateway to Europe.

[Sokolov] I think it is fairly clear from here that the route from Manila, let us say, to Vladivostok is a fairly short route which will take what, about 6 hours? Approximately. Whereas if you fly to Manila via, let's say, Singapore, it takes you 15 and 1/2 hours. So it only makes geographic and all the other sense in the world to really explore the possibilities here rather than there. Of course, every possibility should be explored.

[Melchor] Let me put some numbers to that. In terms of distance, if you are going to ship goods from Japan to Europe via Nakhodka using the Trans-Siberian railway, you are talking 13,700 km. Now, if you are going to ship cargo by the traditional sea route, say through the Suez Canal to Europe, you are talking 21,000 km. And if you are going to use sea routes through Africa, you are using 27,000 km. Now, timewise, if you are going to ship by rail, it will be an average of 2 weeks as against a sea route of 7 weeks. So, that is the advantage in terms of transshipping through Nakhodka, Vostochnyy, and eventually Vladivostok using the Trans-Siberian Railway.

[Mayuga] What were you thinking of shipping through these ports, Mr Ambassador, aside from Philippine manpower?

[Melchor] Let me clarify that. We are not shipping Filipino manpower. This is an innovation also. We don't want to export manpower as such. The schemes that we are approaching here are contractors. It is corporate labor. By participating in the progress in the Soviet Union, we will crank in the manpower component in the cost of the projects so that we will enable our people a minimum of \$250 a month. It is not going to be a direct employment where there are suggestions of slave labor and that sort of thing. Even the Soviets don't earn 250 a month, you know.

[Tiglao] Ambassador, compared to 2 years ago, I was wondering where we are now? Is there any real advance or is there no political will or we are not getting the details right? I mean all of these plans we are talking about, we have been talking about them for nearly 3 years. But we don't read anything. We don't know anything at all.

[Melchor] You have to develop a project before you can crank in the manpower component. If there is no project, then there is nothing that moves. [passage omitted] [commercial break] [passage omitted]

[Mayuga] Supposing I were a garments manufacturer and I have this load of blue jeans. Now, where do I go? What is the first thing I am supposed to do if I want to sell to the socialist bloc?

[Melchor] Right now, you will find a Filipino businessman going there by himself, so it has to be organized. And this is what we are doing. Secretary Concepcion, when he leaves in March, will have about 25 from the private sector in his delegation and this is of course to show them what the Soviet Union is all about. And as Senator Shahani said, we have to educate our businessmen in the ways that things are being done in the Soviet Union. They are also decentralizing right now, so it is timely that we get into the picture at the present time so that we could find out exactly how things are done and zero in on the eastern side of the country. And this is really an opportunity that I don't think we should pass up. We have what they want and they also have what we want.

[Tiglao] Do you have any network in the Soviet Union, like trade attaches?

[Melchor] No, we don't have any. However, we have just appointed one to join the staff of [words indistinct], Mr Jover.

[Mayuga] But you told us he has been there for a while.

[Melchor] He is going back as a trade representative. He was there as a representative for FCIC [expansion unknown], which is just the instruction group. We are now expanding it to include trade. To answer the point of Mr Tiglao, it is not just a question of will in terms of trying to derive trade and economic benefits. But if we want to trade, we have to create a surplus, and in many instances, we don't have that surplus. For example, we have our traditional markets and our people don't want to take it away from the traditional markets, so they have to generate a surplus in order to be able to trade with the Soviet Union.

[Sokolov] I have something to add. I think that one essential point insofar as we are concerned is that we are not out to push somebody out of the Philippines or from the region or from the traditional kind of links that happened here, quite well-established for generations. We realize that we are sort of a Johnny-come-lately in this region and have a lot of things to do to catch up. But as I say, this is something which we feel is an absolute must for the development of the Soviet Union, especially of the far eastern or eastern part of the USSR. So, again, I will repeat that we are open for any interaction, and on our side, we should be going by a two-layered approach: One is to have an institutionalized structure of our commercial and economic relationships and cooperation with the Philippines. Well, we don't have any mechanism, for example, between our two countries whereby the two sides, be it the government or the business circles or people or somebody else, would even discuss these matters except, as Mr Boncan has correctly said, except by going directly, which is of course very good. But on the other hand, each one of us cannot necessarily afford that. We have to have, at least, a forum in which the two sides would meet and discuss all the various possibilities that should be tapped.

The other way is, as I said, by decentralizing our own structures, we encourage private or individual or collective entrepreneurs to get in touch directly with each other. In this way, we will be able to really substantiate our goal, which, I think, is a fairly ambitious goal, which is the result of the visit of our foreign minister to the Philippines, Mr Shevardnadze. And that is to upgrade our economic relations and the entire volume of trade to approximately \$200 million per year, which I think is a very ambitious goal. So we have to think in concrete terms as to how we are going to fulfill that.

[Tigiao] Mr Ambassador, a lot of hype is being done about this multilateral aid initiative being organized by Western countries. The Soviet Union is definitely giving massive aid to some countries like Cuba. Is there any possibility of your participating in a kind of aid program for the Philippines, aside from expanding trade?

[Sokolov] I don't think we have reached that point yet. In fact, we are trying to cut some of that aid even to our allies, and in particular to Cuba. This is a fact. And I think that in this case, in the case of Soviet-Philippine relationships, I mean the economic dimension of that relationship, we should really opt for bilateral trade more than anything else, at least at this point and for some time in the future. I think we have quite a program to fulfill and I think we have to think on both sides as to how to do it. That would be my answer to your question.

[Melchor] May I just answer that question on the multilateral aid? Because the Soviet Union has signified their interest to join the Asian Development Bank, and if they do join the Bank, they will come in as a donor country. So they will come in on multilateral assistance.

[Sokolov] Let me add to that...

[Mayuga, interrupting] Can we go back to this topic after this commercial break? [commercial break] [passage omitted] There are many questions for Ambassador Sokolov. Here is the first one: Ambassador Sokolov, you talk like an American. Do you have a formal education in America? I think you better explain this.

[Sokolov] No, I have never had any formal education in the United States, but I was a good student in Moscow. Does that answer your question?

[Mayuga] Where in Moscow?

[Sokolov] In the Moscow...[changes thought] Well, first of all, I studied of course in our public school, which offers education in foreign languages, where I was a student for 5 consecutive years before finishing high school. But then, of course, I continued that at the Institute of International Relations in Moscow, which is our diplomatic school, more or less loosely attached to the Ministry of Foreign Affairs. And after I graduated from that institute, I was offered a job at the Ministry of Foreign Affairs. That is all, to make the story short.

[Mayuga] I don't think you really answered the man's question as to why you talk like an American. Did you have an American teacher?

[Sokolov] No, I did not have any American teacher, but I served in the United States in the Soviet Embassy for quite a while. In fact, my last assignment before going to Manila was precisely in the Soviet Embassy in Washington for about 6 and 1/2 years, and that is almost the entire term of the Reagan administration. I went there in '81 and I left in October '87, so that probably explains that occupational hazard of mine.

[Mayuga] Of sounding like an American? Here is another one: Why is it that it is only now that the USSR is extending its friendship, in quotes? Does it have anything to do with the U.S. bases expiration this 1991? This is from Bong Roxas of Passay City.

[Sokolov] I don't think that I need to explain....[changes thought] Well, I have already said that under perestroika, as part of our overall perestroika, our own development internally, economically, and, of course, as a result of our rethinking of our foreign policy, we have come to realize that on the one hand, we cannot continue the way we did economically, that is inside the Soviet Union. We have to change the ways because the old ways are not working any more. And, of course, there is always an organic relationship between external and internal policies and therefore, a lot of perestroika has been done and is being done over the last 3 years in the field of foreign policy of the USSR.

So, one reason for that, as I indicated earlier, is precisely to rethink our situation in the region or vis-a-vis various regions, and this includes the biggest region in the world, Asia and the Pacific. And so we are getting our foreign policy more attuned to the needs of our domestic development, especially the development of the Soviet Far East. And, as part of that kind of policy and strategy, we are developing relations with all countries of the world, including the Philippines. The Philippines is certainly an important country among ASEAN countries with which we would like to develop the best possible relations, and that is what we are doing.

Insofar as the bases, we have a very clear stand on that, and that is we are against military bases and we hope that they will gradually be dismantled. Mr Gorbachev said that our program calls for the elimination of all military presence and military bases in the world by the year 2000. And we have clearly indicated what we should do in that eventuality on our part. So that policy [words indistinct] is going to be pursued further by the Soviet Union. It is all very clearcut.

[Mayuga] This other question is from Marco Parpan, Pandagan: Ambassador Sokolov, what is the USSR's position regarding the NDF, the National Democratic Front, in this country?

[Sokolov] Well, we don't think we have any particular position with regard to the [words indistinct] a political party or organization. We think [words indistinct] belongs to the prerogative and sovereignty of the Philippine Government and Filipino people. We are not going in any way to interfere with that or in that situation. So, we are ready to do business with whatever government any country has, and in that respect, I don't think we have any particular position [words indistinct]. We are ready to do business with whoever who is ready to do business with us.

[Mayuga] Primarily business.

[Sokolov] Exactly.

[Mayuga] We will let you off the hook for now.

[Tiglaio] Question for Ambassador Melchor regarding the Philippine Embassy's inability to take care of the needs and welfare of Filipino students studying in Moscow. How many students are studying in Moscow?

[Melchor] Well, there was an article in the newspaper saying that there are 2,000 students. There is no such thing. You don't even have 200 in Moscow.

[Tiglaio] She is asking... [changes thought] Apparently she is not satisfied with the way the Philippine Embassy takes care of the needs and welfare of the Filipino students in Moscow.

[Melchor] Well, I think we have addressed ourselves to that, and Senator Shahani also. When she first visited the Soviet Union, we discussed the needs for a government-to-government agreement covering the students going to the Soviet Union. Right now, they are being recruited directly and we don't like that. The Philippine Government would like to determine the areas where these students should be trained, and so, we want a government-to-government agreement. Another thing, some of these students are undertaking studies in technical field, and if they want to be able to apply their skills in the Philippines, they need accreditation. [passage indistinct] So, how can we take care of them? We do not have control over them.

[Tiglaio] Do we have a timetable for the Isabela coal plant?

[Melchor] [passage indistinct] We are going to be suffering from the very fact that we have not been able to implement this project. Right now, the ball is on the Soviet side, Mr Ambassador, because we came back with a counterproposal, bill-operating transfer. Now, this is new for your people, and it is a question now of also evaluating the coal mine and coming up with an approach to bill-operating transfer.

[Sokolov] I think that all these projects, of which Isabela is one, are sitting on the table. They are on the schedule of our bilateral talks, and I am sure when Secretary Concepcion, with this business delegation, goes to the USSR, it will again be discussed and maybe resolved by that time of the visit. Obviously, any country needs electric power at all times. This is an absolute need that is there. Insofar as we are concerned, we are ready to go ahead with that project. [passage indistinct]

New Export Products Agreed in PRC Trade Talks
HK3101063389 Manila BUSINESS STAR in English
31 Jan 89 p 12

[Text] The Philippines and the People's Republic of China (PROC) yesterday resumed talks on the proposed 1989 RP [Republic of the Philippines]-China trade protocol with both panels agreeing basically on new product items to be imported by China from the Philippines.

Chinese trade officials Luo Kaifu and Yi Shohung reached an agreement with officials of the Bureau of Trade International Relations (BITR) [as published] on the remaining Philippine export products the PROC would like to import. The Philippine panel, composed of BITR Director Antonio Basilio and Amador Pablo, were pushing to include new products for inclusion in the main protocol in a bid to balance RP trade with PROC.

Basilio told the BUSINESS STAR that during yesterday's trade protocol talks, a number of new items previously not covered in the main protocol but have been listed down in the side letter for inclusion in the main protocol for 1989, were agreed upon.

According to Delfin Espejo of the Bureau of Export Trade Promotions (BETP), who is in charge of BETP's China desk, the Philippines has to export \$170 million worth of new product items this year to balance the country's trade with China.

Last year, the Philippines exported \$84 million worth of goods to PROC, the main bulk of which came from fertilizer exports, compared to imports totalling \$220 million (CIF), mainly crude oil and oil cake (soya bean residue).

This year, however, due to a worldwide shortage of sulfuric acid which is a main component of fertilizer production, Philippine Phosphate Fertilizer Corporation (Philphos), the country's main supplier and exporter of fertilizer, has decided to reduce its fertilizer exports from 400,000 metric tons to 200,000 metric tons.

As a result of this drastic cutdown of Philphos's fertilizer exports, the Philippines is pushing a number of new product items not previously imported by PROC from the Philippines.

Among the new items PROC agreed to import were: construction materials, including pipes and fittings of PVC, PE, PB, GI sheets, metal panelings (to be supplied by Moldex and Atlanta), laminated glass (to be supplied by a member of Quezon City Chamber of Commerce and Industry), PVC resins (to be supplied by Resins Inc. and others), furniture and furnishings (to be supplied by Et Noir), dried sea cucumber (to be supplied by Cresman Inc.) sinter ore (to be supplied by the Philippine International Trading Corporation), fruits (to be supplied by Atlas Fertilizer Corp, Foodline, Albenson), guano (bat), fertilizer (supplier undetermined), and petroleum reformate (to be supplied by the Philippine National Oil Corporation).

However, there are new items being pushed on best efforts basis by the Philippine panel, importation of which is still being studied by PROC, which include: acrylic sheets (to be supplied by Chan C. Bros.), cocoa powder (to be supplied by Amex Trading), refrigerators (to be supplied by Concepcion Industries), and cold rolled steel (to be supplied by National Steel Corporation).

Espejo told the BUSINESS STAR that there are already PROC buyers of Pamcor's AUVs (L-300, Pajero) for at least 2,500 units, but trade talks on these were on hold for the meantime because Pamcor would like Mitsubishi Japan, as Pamcor's company policy, to undertake supply negotiations with PROC buyers in their behalf. It seems that PROC is not amenable to that arrangement.

Detained Filipinos Claim Malaysian Maltreatment
HK3001024789 Manila Far East Broadcasting Company in English 2300 GMT 29 Jan 89

[Text] A group of 24 Filipinos currently detained in Malaysia have alleged, in a letter smuggled out to the Philippines, that they have been ill-treated and some of the women sexually molested by Malaysian security forces. The 13 men and 11 women, [words indistinct] a Filipino journalist, who were arrested for illegally working in the Malaysian state of Sabah in October, sent the letter to the Kapisanan ng mga Brodkasters sa Pilipinas [Society of Philippine Broadcasters—KBP] through 150 Filipinos who were deported back to this country from Sabah on Monday. The letter reached Zamboanga City Saturday and was released by the local KBP officials. The detainees also said, in their letter, that they were being held in overcrowded cells and had been accused of spying for the Philippines. The letter said that the Malaysian Government had promised to free them by May; but they added that the Filipinos were skeptical of this and were appealing to the KBP to work for their release.

There are hundreds of Filipinos believed imprisoned in Sabah after traveling to the resource-rich Malaysian state to work illegally.

Australia To Fund Development Projects
HK2801094389 Manila MANILA BULLETIN in English 28 Jan 89 p 19

[Text] Two multi-million-peso Australian development assistance projects for the Philippines were signed by Australian Sen. Gareth Evans before he left the country the other day.

Senator Evans, who is concurrently Australia's minister for foreign affairs and trade, signed the first financial package worth A\$467,638 with Philippine Secretary of Trade and Industry Jose Concepcion Jr.

This assistance is aimed at boosting Filipino exports by improving the operations of the Bureau of Export Trade Promotion (BETP) the Foreign Trade Service Corps (FTSC) and preparing a national export plan.

Following an official request by the Philippine National Economic and Development Authority (NEDA), Australia agreed to assist in finding ways to improve the operations of BETP.

The joint project has the following components:

1. Systems design consultancy, which aims to more effectively use computers in export marketing and administration.
2. A national export plan that identifies markets and mobilises the export community to develop export strategies.
3. Supply of standardized computer equipment to facilitate improved communications between the BETP head office and overseas posts.
4. Training of BETP staff.
5. Production of a data base on export firms and markets in intelligence.
6. Upgrading of the BETP regional office in Sydney, Australia, and support for mounting of trade displays.

The long term aim of the project is to improve the Philippine balance-of-payment position and to contribute to sustained economic growth through increased exports and capital inflow.

The other agreement signed by Senator Evans was with Secretary of Foreign Affairs Raul S. Manglapus, providing Australian assistance to a government undertaking that would improve the management and use of natural resources, including a more effective land administration.

The total cost of this project is estimated at P380.8 million (A\$23.08 million) over four years with Australia providing grant assistance to the value of P320.6 million.

Preliminary work on this project began almost a year ago with appraisal and planning studies in association with various Philippine government agencies.

The project will have positive benefits by providing a basis for speedier and more efficient land titling, revenue earning and agrarian reform in support of the comprehensive agrarian reform program.

Cooperation Agreements Signed With Micronesia
HK3101043989 Manila BUSINESS WORLD
in English 31 Jan 89 p 12

[Text] Visiting Foreign Minister Andon Amaraich of the Federated States of Micronesia (FSM) and Foreign Affairs Secretary Raul Manglapus yesterday inked agreements on economic and technical cooperation and cultural exchanges.

These would "promote and expand the sound development of trade, agriculture, investments, labor and employment through exchanges of advisers, consultants, technicians, training opportunities, information and joint studies," Mr Manglapus said.

Mr Amaraich expressed appreciation for the benefits of Filipino expertise which would be extended, in particular, from the medical sector. FSM benefits from the skilled Filipino construction workers and engineers now working his country, he said.

The Department of Foreign Affairs (DFA) Technical Assistance Council (TAC) has been conducting training seminars in tuna fisheries and processing for emergent nations in the South Pacific in fulfilling the Philippine commitment to do so during the 1986 Pacific Economic Cooperation Council in Vancouver, Canada.

Refreshing Change

Instances, such as this with FSM, were "quite a refreshing change from the usual," a DFA official observed, "and it's a funny feeling that, in these situations at least, we are the donor country."

Mr Amaraich clearly spoke with emotion as he described the recognition of FSM independence extended by the Philippines during Mr Manglapus' visit in August last year, "a highlight in the short history of my country."

The coming into force last year of the fisheries treaty between the U.S. and the 15-member Forum Fisheries Association underscores these South Pacific nations' need for the development of fisheries in the region.

No Money

However, the TAC, which DFA officials call a modest program of aid, while undertaking expenses for hosting and training candidates from these countries in Manila, must source transportation costs through international organizations such as the UN International Development Organization "in the interest of not using up our foreign exchange," a BUSINESS WORLD source said. "We have the expertise, the knowledge, but no money."

Because Japan is seeking a more active presence in the South Pacific, "not just commercial but political influence as embodied in the Kuranari Doctrine," sources said the DFA will be asking Japan to underwrite the airfare for TAC.

The Kuranari Doctrine, enunciated in Suva, Fiji by former Foreign Minister Tadashi Kuranari in 1987, committed Japan to support these new nations' independence and preserve political stability in the region.

Bases

Despite his country's entering into the compact of free association with the U.S., military pullout from the Philippines did not mean "it is going to be an automatic thing for the U.S. to come in," he said, echoing a familiar line, "we don't have a final answer, we are keeping our options open."

"Micronesia will play its part in the security of the South Pacific but what role that is defined to be, we don't know at this time," he said.

Mr Amaraich told reporters that the South Pacific Nuclear-Free Zone Treaty was "undergoing review within our country. We want to make sure we understand it completely before making a decision" to accede to it.

Multinational Aid Plan Linked to IMF Loan
HK3101065189 Manila MANILA BULLETIN
in English 31 Jan 89 p 1

[Text] Finance Secretary Vicente R. Jayme yesterday confirmed that prospective donor countries have tied their participation in the U.S.-initiated aid plan for the Philippines to the successful negotiation of a new financing and economic reform package with the International Monetary Fund (IMF).

"We have been told that the prospective donor cooperating countries in the Philippines Assistance Program (PAP) will also want to see the successful conclusion of an IMF agreement and program", Jayme said in explaining the importance to the economy of the assistance package being negotiated with the multilateral financial institution.

He also claimed that the stalled talks with the IMF resumed yesterday.

The PAP, or what is now known as the Multilateral Aid Plan (MAP), is envisioned to raise some \$10 billion in grants and loans to finance projects that will enhance the recovery and development of the Philippine economy. The scheme was initiated by the U.S. and was supposed to be implemented outside of other financial assistance the country was to get from multilateral and bilateral fund sources.

The agreement with the IMF will have an "impact on our Paris Club restructuring efforts, and on our negotiations for new loans with foreign commercial banks", Jayme said in a speech in yesterday's inaugural meeting of the Management Association of the Philippines (MAP) at the Manila Peninsula Hotel in Makati.

Official sources said that a three-man IMF delegation arrived over the weekend. They however failed to identify the IMF representatives.

In the first formal talks held last year on the country's request for a \$900-million extended fund facility (EFF), the IMF dispatched a team, led by Ulrich Baumgartner, to face its Philippine counterpart composed by Jayme and Central Bank Gov. Jose B. Fernandez.

The negotiations ended inconclusively in late November because of disagreement over certain "targets" set out in the government's medium-term economic framework.

Negotiators To Stress Growth in IMF Talks
HK3101044589 Manila THE MANILA CHRONICLE
in English 31 Jan 89 pp 1, 8

[Text] President Aquino yesterday said she had instructed the country's debt negotiators to convince the International Monetary Fund (IMF) of the urgent need for the Philippines to sustain its economic growth.

She said she also instructed the panel, composed of Finance Secretary Vicente Jayme and Central Bank Gov. Jose Fernandez, to "get the best possible program" from its talks with the IMF.

Mrs Aquino said she told the panel "to again make clear to our creditors that we need very much to maintain our economic growth, and we can only do this if we are given better terms."

The talks, intended to allow the country to make use of a \$900 million extended fund facility and a \$400 million contingency fund facility, resumed yesterday after a two-month recess.

This developed as Senate President Pro Tempore Teofisto Guingona urged the government to review "the entire debt policy" and participate in the proposed international summit of debtor nations to seek a common solution to the crisis.

In a privilege speech, Guingona proposed that the government:

- Designate a representative to monitor developments on proposed political solutions to the debt crisis.
- Categorize the onerous loans of the past, and prepare alternative steps to take.

—"Give meaning to the Manila Declaration of 1988 among newly restored democracies" which stated that these nations would "seek ways, in close consultation among our governments, without prejudice to the growth and welfare of our peoples, to confront the problem of external debt."

The economy grew by 6.7 percent last year and economic planners targeted an annual growth rate of at least 6.5 per cent over the next few years.

Economic Planning Secretary Solita Monsod stressed the need to maintain that growth level for the country's survival.

Last year, the country succeeded in creating 1.2 million new jobs due, in part, to deficit spending.

The government aims to create at least another one million more jobs this year.

But economic planners expressed fear that a scaling down of the growth target might require reduced public investments.

Such reduction, they warned, might in turn result in the reduction of the new jobs being envisioned.

However, the IMF reportedly doubted whether the country could sustain its target public investment. As a result, it suggested a reduction in public investments to a "manageable level" to reduce the budget deficit.

According to Mrs Aquino, "the most important thing" for the country was to get the IMF programs.

She explained the restructuring of the country's foreign debt, placed at \$28.9 billion, hinged on the successful conclusion of the talks with the IMF.

The IMF talks will be followed by negotiations for a restructuring of the loans the country owes Western creditor governments which belong to the Paris Club.

Separate talks will also be held for fresh funds and rescheduling of maturing debts owed to commercial creditor banks.

The country hopes to get \$2 billion in fresh funding from the commercial creditors.

Aquino Orders Tourism, Business Rules Relaxed
HK3001023789 Manila Far East Broadcasting
Company in English 2300 GMT 29 Jan 89

[Text] President Aquino has ordered the relaxation of the government policy on tourists and other potential foreign business entrepreneurs as part of her administration's program to expand tourism and trade exports. The president specifically instructed the Department of Trade and

Industry, the Department of Tourism, and the Commission on Immigration to see to it that foreign tourists and businessmen were extended the necessary assistance, particularly in securing vital documents, visas and clearances for products being taken out of the country. The president issued the order as she announced that the government was formally selected as the official source of a leading chain of department stores in the U.S. for its P420 million worth of display. Under Mrs Aquino's directive, American tourists can come in for 21 days without a visa.

Congress Facing 'Crisis of Confidence'
HK3101063789 Manila THE MANILA CHRONICLE
in English 31 Jan 89 pp 1, 8

["Analysis" column by Amando Doronila: "Controversy-Wracked Congress Facing a Crisis of Confidence"]

[Text] Congress, the centerpiece of the Aquino Government's architectural design for the restoration of Philippine democracy, is heading for a crisis of confidence. It is faltering as an institution through which a political and social renewal of democracy may be made. The failure of Congress to respond to impulses of change stems mainly from internal causes within the legislature. The looming crisis does not arise from an impasse between the executive and the legislative departments. It is thus unlike the breakdown of the relationship between the Congress of pre-1972 and former President Ferdinand Marcos determined to remove it as a roadblock to his version of national development.

To be sure, the tensions arising from the system of checks and balances in the Philippine presidential system have not heightened to the level they were during the second elected Marcos term. But in just 20 months after the installation of the new Congress, the legislature has rapidly fallen into disrepute as the arena for the mediation of competing economic, social and political interests.

The rapid decline of congressional prestige, ironically, is happening not because Congress is interacting to a confrontational presidency but because of the diffusion of its functions which have little to do with writing laws. In short, Congress is undermining itself.

Since Congress was one of the three most important institutions restored by the Aquino Government in her effort to provide a stable foundation for democracy—the two others being the 1987 Constitution and the free electoral process—the erosion of congressional legitimacy could easily undermine the entire institutional framework of democracy itself.

The latest statistical indication of the low public esteem to which Congress has sunk was the August 1988 public opinion survey of the Ateneo de Manila University. According to the survey, 30 per cent of respondents across the nation were satisfied with House of Representatives, 26 per cent were dissatisfied, and 21 percent were undecided. The rating of the Senate was even

worse: 28 percent of respondents were satisfied with it, 24 percent were dissatisfied and 22 percent were undecided. Congress was posting these ratings while President Aquino was riding a 73 percent popularity rating.

Congress has apparently not taken heed of this writing on the wall. Since the August survey, the House especially has been rocked by controversies that raised questions about the misfocused functions of congressmen. Lawmakers have been involved, among other things, in importation of weapons fit to equip special forces commando operations and in seeking exclusive authority to distribute export quotas on young coconuts to Taiwan. They have emphasized investigative functions rather than illuminating policy debates.

The Commission on Appointments has been used to inflict retribution on nominations for promotions and for ambassadorial posts in the foreign service. In the field of social reform, the House displayed insensitivity to the clamor for a more substantive agrarian reform legislation than what finally passed Congress.

It may be argued that because Congress is now functioning under a democratic environment—in contrast with the role of rubber stamp played by the Batasan [National Assembly] under the Marcos regime—it is still trying to find its way and is redefining its relationship with the executive. This may be true, but the salience of the political brokerage role of congressmen acting on behalf of narrow economic interests has certainly corroded the legislature's legitimacy.

This Congress does not live up to the dream of social or political reformers. Free elections have not made Congress a representative assembly of social forces seeking a voice in parliament. Of its more than 200 members, only three were elected from disadvantaged social groups representing the peasantry. And yet, more than 70 percent of the population belongs to the rural poor classes.

The social composition of members of Congress—made up mainly of surrogates of the landed and merchant classes, as well as middle class professionals—helps account for its conservatism and its insensitivity to social reform.

Thus, Congress, which claims to be the voice of the people, is in reality an assembly of representatives of elite interests, out of touch with the wide-spread culture of poverty.

The brokerage role being played out by congressmen in the coconut quota export controversy is not out of character with the congressional tradition. In the history of the Philippine legislature, its members have been essentially political brokers. The members were the intermediaries between the local electorates and the national center of power. They served as the pivotal linkmen in the alliance between the national elites and provincial constituencies which were aggregates of all

social classes. They have over time served as the middlemen in the vertical alliance system, and their function has been to bring to the provinces the largesses from the central government. These largesses included public works projects (or pork barrel). They have also served as job procurers for their constituents in this extensive patronage system.

The members of the restored Congress, although elected democratically, have not really gotten out of the mold of this patronage framework and value system. They have, in fact, expanded their brokerage functions whenever opportunities have presented themselves—as in the coconut quota case.

If the members of Congress are not bothered by their interventions for quotas or for importation of weapons, it is because political tradition has enshrined these as legitimate legislative functions. But it is perhaps a hopeful development that this congressional brokerage role is now being challenged by a new ethic that is being raised in the news media.

U.S. Pressure Said To Influence Mindanao Bill
HK2801093589 Manila Manila Broadcasting Company
DZRH in Tagalog 0845 GMT 28 Jan 89

[Text] Ustadz Sain Jali, spiritual adviser of the MNLF, accused the Aquino government of not being serious in its efforts to resolve the conflicts in Mindanao. In an interview with Bing Formento in this morning's "No. 1 News in the Country" program, Jali said that the passage of an organic act for an autonomous region in Muslim Mindanao will not help resolve the problems.

According to Ustadz Sain Jali, the MNLF is convinced that the U.S. Government is pressuring the legislators to pass the organic act and not to implement the Tripoli Agreement as demanded by the MNLF.

Here is a statement by Ustadz Sain Jali.

[Begin recording in English] The way we see it the Congress and the Senate, and especially Malacanang, are under pressure by the Americans because they do not want the Tripoli Agreement because of Al-Qadhdhafi. That is what we see. So there are two opposing forces: The United States and the Organization of Islamic Conference. [end recording]

Thailand

Chatchai Briefs Press on Visit, Other Issues
BK3101012589 Bangkok BANGKOK POST in English
31 Jan 89 pp 1, 3

[Text] All Kampuchean resistance factions, including the Khmer Rouge, will attend the second Jakarta Informal Meeting (JIM II), Prime Minister Son Sann said after a meeting between faction leaders and Prime Minister Chatchai Chunhawan.

Following Phnom Penh leader Hun Sen's visit last week, Gen Chatchai yesterday invited the three resistance leaders Prince Norodom Ranariddh, Son Sann and Khieu Samphan for a briefing at the Dusit Thani Hotel.

Apart from the premier, Foreign Minister Sitthi Sawet-sila, top Foreign Ministry officials, Armed Forces Chief-of-Staff Gen Sunthon Khongsomphon and other senior military officials attended the briefing.

Kraisak Chunhawan and two of the premier's advisers M.R. Sukhumphan Boriphath and Phansak Winyarat also attended the meeting.

"The most significant step of today's event is that the three faction leaders told us they are all going to attend JIM II," Gen Chatchai said.

Speaking on behalf of the coalition partners, Son Sann said Gen Chatchai told them that Hun Sen promised to have a flexible attitude so that all factions could reach an agreement.

"At JIM II we will see whether Hun Sen is abiding by his words that he has promised Prime Minister Chatchai," Son Sann said.

Calling it a historic day where they could see light at the end of the tunnel for a Kampuchean solution, Mr Son Sann reaffirmed that all the three factions of the Coalition Government of Democratic Kampuchea will participate in JIM II.

"Gen Chatchai has clearly indicated that he would try his best to help us to regain peace as soon as possible," he said.

"I am confident that all parties will reconcile to bring peace to Kampuchea," Gen Chatchai said.

Khmer Rouge faction leader Khieu Samphan said: "As a victim, we would like a speedy solution to the war in Kampuchea. We want a solution which will secure a withdrawal of all Vietnamese forces in Kampuchea under a definite timetable and under an effective international supervision."

"We would also like to have the national reconciliation of all Kampuchean [as published] through the formation of a provisional quadripartite government under Siha-nouk's leadership.

"We are of the view that this is the only way to have the national reconciliation which any one party should not be allowed to dominate," he said.

Mr Son Sann added that Gen Chatchai also invited them to a dinner at his Soi Ratchakru residence after JIM II.

"I hope by the time when I will be his guest at his residence again, I would be able to tell Gen Chatchai that Hun Sen now seems to agree with the other coalition partners, that Vietnamese have no more resentful stay in Kampuchea and peace will be in Kampuchea at the aspiration of the all Kampucheans."

Son Sann quipped that perhaps the coalition partners should thank Hun Sen, for because of him, they were invited to yesterday's dinner with Gen Chatchai.

"The Prime Minister has done a great job," said the beaming Foreign Minister Sitthi Sawetsila who was also at the meeting.

Prime Minister's Secretary Gen Panya Singsakda said conflicting points regarding Hun Sen's seven-point peace proposal or the five-point version of Prince Sihanouk were not brought up during the talk.

Gen Chatchai, he said, told the resistance leaders once peace comes forth in Kampuchea, Thailand would help the country restore development and progress.

M.R. Thep Thewakun, Director-General of the Political Department said Hun Sen must abide by the words he has given to Gen Chatchai, that he would use reasons in talking to the other factions.

At the meeting, Gen Chatchai told the resistance leaders that they have no time to fight, and that they must face each other, M.R. Thep said.

The resistance leaders, he said, bear no grudge against Hun Sen's visit because they realise Thailand's good intention, and they also thank Thailand for her efforts towards a Kampuchean solution.

"The differences between the seven-point peace proposals need to be ironed out among the Khmer parties themselves. Hun Sen has expressed a more flexible stance by promising Chatchai that he would use more reason when speaking to the three factions," he said.

"This should brighten the prospect of a solution. The fact that Hun Sen is willing to speak to resistance leaders is better than him merely listening to Vietnam," he added.

JIM II, he said, is the only forum that the four factions can group together and work out their differences in detail.

"Hun Sen must be himself, as a Kampuchean settling Kampuchean problem between Kampuchean parties, and not speaking as told by Vietnam," he said.

Permanent Secretary of the Foreign Ministry M.R. Kasemsamson Kasemsi said, "a lot has been achieved, let's leave all the details to JIM II forum."

Speaking before the meeting Gen Sunthon said: "It's not a negotiation but a consulting session to hear opinion of the three factions, whether they can face each other," he said.

He said that no commitment was made during the talks between Gen Chatchai and Phnom Penh leader Hun Sen. "The premier had been very careful throughout," he added.

According to Gen Sunthon, Thailand did not propose anything about the matter of Khmer refugees or their voluntary repatriation during the meet.

He said: "We haven't said anything about the Khmer refugees, although we take this as an important matter. Any military or political agreement cannot be made without taking this matter into account."

"We have our sensible plan for the resettlement of these refugees because repatriation will help reduce fighting along the border."

"Besides, when the war is over, the refugees certainly have to be back, since people are part of a state."

"Thailand has never proposed anything during the Hun Sen talks. Because proposing anything is tantamount to interference of their internal affairs."

"We are in an advantageous position, for we are the centre of activities. Still we have to be careful. We should not go forward too quickly since everybody is watching us. Thailand, however, is the most objective country so far although we have been tolerating the warring situation in neighbouring countries: Kampuchea and Burma."

Hun Sen's Departing Remarks Reported *BK2801123189 Phnom Penh SPK in English* 1129 GMT 28 Jan 89

[Text] Phnom Penh SPK Jan 28—"My visit here can be considered a successful visit," said Hun Sen, chairman of the Council of Ministers and minister for foreign affairs of the People's Republic of Kampuchea before boarding a Thai Government plane for Vientiane, capital of neighbouring Laos.

At the press briefing Friday at the "Central Plaza" Hotel, Hun Sen also said that the aim of his talks had been to end the killing in Kampuchea and not to gain recognition from Bangkok.

"I would like to stress," he said, "that the purpose of my visit to Thailand is to finish and put an end to the war in my country. There are many opinions saying that my visit is going to be an obstacle to the settlement of a political solution of Kampuchea but I would like to stress again that I myself and His Excellency Thai Prime Minister Chatchai Chunhavan both have the willingness to solve the solution to Kampuchea as soon as possible."

The Kampuchean Prime Minister also told reporters before leaving Friday that "there were opinions saying that there was worry that these talks were leading to a recognition."

"I would like to stress that the most important issue of the talks between us is to stop the killing as soon as possible, said Hun Sen in addition [words indistinct] talks to each other, we are talking to each other in order to find a way out."

Kampuchea Prime Minister Hun Sen arrived in Bangkok Wednesday at the head of a 24-member delegation including several cabinet members. He left Bangkok Friday after an unprecedented visit to Thailand.

Comments on Cooperation

BK2901143989 *Vientiane Domestic Service in Lao*
1200 GMT 27 Jan 89

[Text] According to an SPK report from Bangkok, Thailand and the PRK have established a committee for economic cooperation between the two countries. The said agreement was reached during the meeting between the Cambodian and Thai delegations on 26 January. The Thai delegation comprised Panya Singsakda, secretary to Thai Prime Minister Chatchai Chunhawan, and a number of leading Thai businessmen. During the meeting, Hun Sen, chairman of the Council of Ministers of the PRK, proposed setting up joint ventures to engage in logging, gem mining, tourism, trade, investment, industry, and communication. Hun Sen also proposed that the PRK be enrolled as a member of the Mekong River Organization.

He said Cambodia is ready to join hands with Thailand in fishery, with 200 to 300 fishermen being involved at the beginning stage. The fishing areas are in Cambodian waters near Koh Kong and Kompong Cham.

He noted that Cambodia can join the Thai side to do logging business in Pursat, Battambang, and Banteay Meanchey Provinces. Meanwhile, Thailand can invest in operating wood processing factories in Cambodia.

As for gem mining, Hun Sen said that Cambodia wants to not only sell gems to Thailand but also cooperate with Thailand in the gem mining industry in the area near the Cambodian-Thai border. He said he had never raised this issue with any other country in the world.

Regarding the tourist industry, Hun Sen noted that Cambodian airlines and hotels cannot cope with tourists who want to visit Cambodia; therefore, he proposed that Thailand invest in construction of hotels in Siem Reap Province and Phnom Penh. He also proposed the opening of flights between Phnom Penh and Bangkok.

In trade, he disclosed that Thai products have to go through Singapore before they arrive in Cambodia; he therefore proposed direct trade with Thailand. Cambodia has raw materials but lacks production means; therefore, it can export the materials to Thailand and import a variety of finished products. He also proposed that the Thai side invest in the renovation and revival of old factories in Cambodia and that the road between Banteay Meanchey and Aranyaprathet be opened.

On the morning of 26 January, the chairman of the PRK Council of Ministers attended a breakfast reception with General Chatchai Chunhawan, prime minister of the Kingdom of Thailand, before proceeding to visit a Bangkok animal feed factory.

Chatchai Adviser Assesses Visit

BK3101051789 *Bangkok SIAM RAT in Thai* 30 Jan 89
p 16

[Text] Kraisak Chunhawan, adviser to Prime Minister General Chatchai Chunhawan, yesterday gave an interview to the press at the premier's Soi Ratchakhru residence about Hun Sen's visit to Thailand. He said the Thai Foreign Ministry knew about the visit from the start. When the prime minister and the Cambodian visitor held talks at Chatchai's house, both the foreign minister and the ministry permanent secretary were also there. As for opposition to Hun Sen's visit by certain academics and observers, Kraisak said those people do not understand the government's newly adjusted policy. "I think they are being conservative in their thinking. They try to point out that there was a conflict in policy; in fact, there was no conflict," said Kraisak.

Kraisak said that for a decade, Thailand has had a foreign policy of supporting the three Cambodian factions. The leaders have been in Thailand and have been unable to deal a blow to Vietnam. Although they have received all assistance from Thailand, such as economic and humanitarian assistance, they have never been able to liberate their nation. Meanwhile, the Hun Sen Government is the most powerful in Cambodia.

"In my opinion, the demands of the three Cambodian factions have received a very considerable response from the Hun Sen faction. Yet, they are still not satisfied with it. They want the United Nations to play a dominant role in the issue. As for the demands to have an international control force oversee the Vietnamese troop withdrawal and a Vietnamese confirmation of a complete pullout, I think Hun Sen has already made a considerable compromise. While Hun Sen refuses foreign assistance, Sihanouk is asking for more international aid of U.S.\$700 million instead of U.S.\$500 million," Kraisak said.

The prime minister's adviser went on to say that Hun Sen's trip to Thailand is big news because it is an ice-breaking event in political psychology. It is an important bargain in international politics. It is the first time in the history of Thai diplomacy that Thailand has ever

implemented its own policy. In the past, Thailand always followed the dictates of a superpower on foreign policy. Now, we are making our own decisions without the influence of others, and this is what people still do not understand.

Kraisak said that Thailand had consulted with the United States before it made contact with Hun Sen. The United States expressed great concern over the Cambodian issue, particularly the Vietnamese troop withdrawal from Cambodia, fearing that it may give the Khmer Rouge an opportunity to return to power. The U.S. reaction is tantamount to giving us a green light. The Thai Government has adopted a new approach in the conduct of its foreign policy aimed at creating peace, beginning with the visit to Laos by the prime minister and then, the visit to Vietnam by the foreign minister.

Asked if Hun Sen benefits greatly from his visit to Thailand, Kraisak commented that both Thailand and Hun Sen benefit from it. It was a break from the conventional political concept. In fact, Kraisak remarked, Thailand is only following Indonesia on this issue. He said: "Don't forget that the leaders of the three Cambodian factions never thought of coming to Thailand after General Chatchai became prime minister."

Kraisak also said that during the past week, an agreement was signed between a high-level UNHCR official and the Hun Sen Government on the repatriation of Cambodian refugees from Cambodian refugee camps along the Thai border. This means the United Nations body recognizes the Hun Sen government and believes it would not persecute the Cambodian people. Moreover, the Cambodian refugees have expressed their willingness to return home under the rule of the Hun Sen government.

"The United Nations understands this. Therefore, the day the agreement was signed was very significant. The Thai Foreign Ministry has known about it since last October. I believe that the UN High Commissioner for Refugees is an expert in this field. For him, the safety of the people is the most important thing. Therefore, you can see what this action means," concluded Kraisak.

Plan To Buy PRC Fighters, Weapons Reported
BK3001081589 Bangkok LAK THAI in Thai 12 Jan 89
pp 21, 22

[Article: "China Proposes Sale of Latest A-5M Jet Fighters After MiG-21's"]

[Text] LAK THAI earlier reported that the Air Force planned to buy MiG-21's, or F-7M's, from China and commissioned them as its attack aircraft. Air Force Commander Air Chief Marshal [ACM] Woranat Aphichari, Air Force Chief of Staff ACM Phisit Sikalasin, and Air Marshal Sommot Suntharawet, deputy director of the Aeronautical Engineering Department, held a news conference on this planned purchase. However, there has been opposition to the plan, possibly by some arms

merchants, saying it would be a mistake to buy the planes because of their inferior capability and because the purchase could cause the Soviet Union to give Laos and Vietnam MiG-23's instead of MiG-21's to offset Thailand's superiority.

LAK THAI learned from a senior Air Force officer that the Air Force does not plan to use the MiG-21's, or the F-7M's, as its main combat aircraft but as limited range attack and ground support aircraft. They will not be used as fighter-interceptors and, because they are single seaters with 2-mach speed, they are not suitable as training aircraft.

The official said: We are interested in the MiG-21's weapons system because it could mount 57-mm air-to-ground rockets which carry up to 36 rounds. The MiG-21 is not a type of aircraft for air combat like the F-5E/F or the F-16.

Regarding the fear that the Soviet Union could arm Lao and Vietnamese air forces with MiG-23's if Thailand buys MiG-21's, the officer dismissed it as unlikely because the Soviet Union virtually reserves the MiG-23's for its own use, similar to the F-111 being reserved for exclusive use by the United States. Moreover, the air forces of the Indochinese countries currently use MiG-19's, thus if they are to be upgraded they will likely be given MiG-21's.

LAK THAI has learned that the ACM Woranat-appointed committee studying the feasibility of the F-7M's has made an initial recommendation that the aircraft are suitable for commission by the Air Force as attack aircraft. It also made suggestions about bases to optimize their use.

On the weapons system, China has proposed the Grumman computer system which is compatible with U.S. or British weapons. Thailand could buy and install the weapons itself, buy the weapons and have the Chinese do the installation, or order Chinese installation of any desired weapons. Thai pilots prefer U.S. weapons because 90 percent of the Thai aircraft use them.

There is no maintenance problem because there is not great difference in maintenance of most combat aircraft. There will be a period of maintenance training by Chinese specialists. Thai pilots could be sent for training in China, which will also pay the expenses.

China launched its weapon market in Thailand with the Army, selling tanks and APC [armored personnel carriers] at friendship prices. The Thai Navy has ordered four frigates from China, and the Air Force is buying MiG-21's. China has also reportedly offered to sell A-5M's to Thailand. The A-5M is China's latest aircraft built under a joint development scheme with Europe. China will build the body and buy the flying and weapon systems from Europe. The A-5M made its world debut only recently and is one of the most advanced aircraft.

China knows that the Thai Navy is considering buying its first squadron of attack aircraft. The Navy considered the British Hawk-200's but had to scrap it due to budget limitations. It finally has an approval to buy a squadron. China has tried to promote its A-5M with the Navy. The Air Force could also change from the MiG-21's to A-5M's, but their prices are certainly not in the range of the MiG's. So, it looks like the A-5M's will have to wait until after the purchase of the MiG-21's.

China, USSR Negotiate Rice Purchases
BK3101033989 Bangkok THE NATION in English
31 Jan 89 p 14

[Text] Thai and Chinese officials have broken off negotiations over a proposed sale to China of 150,000 tonnes of rice, but will resume talks next week, while the Soviet Union has agreed to buy 150,000 tonnes from Capital Rice.

Trade sources say the strong interest in buying Thai rice has given the market confidence in the continued strength of prices. A source at the Commerce Ministry said the government's Rice Policy and Measures Committee will not intervene in the market so long as paddy prices remain high.

The Thai-Chinese talks, held last week, were for 150,000 tonnes of 25 percent super grade rice for delivery on board ships bound for China in April to June. The Department of Foreign Trade was originally seeking \$257 per tonne "free on board" (FOB), later easing its price to \$252. The Chinese started with \$243 FOB, the price they paid for Thai rice a year ago, and later offered to pay \$245, according to a Commerce Ministry source.

Next week's talks will aim to narrow the gap, but the Chinese are said to have indicated they will definitely buy. The Thai source said the Department of Foreign Trade has set higher prices because domestic rice prices are high.

The Soviet purchase from Capital Rice was agreed last week. Two grades—10 percent at \$250 FOB and 15 percent at \$245 FOB—are to be delivered in Bangkok on board ships destined for the Soviet Union in February to April.

PRC Defense Ministry To Aid in Well Digging
BK2501012589 Bangkok BANGKOK POST in English
25 Jan 89 p 1

[Text] The Chinese Defence Ministry has agreed to assist the Thai Army in digging wells in the northeastern region under the Green Northeast Project.

Acting Supreme Commander Gen Chawalit Yongchaiyut said Chinese Defence Minister Qin Jiwei has promised to provide the assistance because China has expertise in the field.

The Army has planned to dig between 50,000-60,000 wells in the Northeast to meet the consumption need of the local people but it can dig only 4,000-5,000 wells a year.

"We cannot wait for 10 years to complete the project and the Chinese have agreed to assist us on the matter," he said.

He said the Chinese minister has also agreed to help provide equipment for use in the development of the Northeast, which could also be used in other regions as well.

Thianchai Assigned National Security Tasks
BK2301091689 Bangkok NAO NA in Thai 15 Jan 89
p 1, 20

[Excerpt] According to a report from Government House, Prime Minister General Chatchai Chunhawan has assigned Deputy Prime Minister Gen Thianchai Sirisamphan responsibility for national security affairs in addition to his other responsibilities.

The source of the report noted that the National Security Council sent a memorandum to the prime minister last week asking if he would oversee national security affairs himself or assign someone else the job. The question arose because during the Prem administration, Gen Prem first assigned Deputy Prime Minister Gen Prachuap Suntharangkun national security responsibilities, but later gave the assignment to Deputy Prime Minister Admiral Sonthi Bunyachai when Gen Prachuap was appointed interior minister.

The source said Gen Thianchai has been given the national security responsibility because he is the only deputy prime minister with any military service experience and could work well with military officers. The national security assignment includes overseeing internal and international terrorism problems. [passage omitted]

Government Favors Indochinese Bilateral Trade
BK3101021389 Bangkok THE NATION in English
31 Jan 89 p 3

[Text] Prime Minister Chatchai Chunhawan said yesterday the government is seeking to conclude bilateral agreements to protect Thai investments and business interests in neighbouring Indochinese countries.

"You can be assured of government support for the export of Thai capital to the Indochinese nations," Chatchai told members of the Business Club for Development at the Ambassador Hotel.

Answering a question after his address on "Thailand's Economic Directions", the prime minister said instead of only receiving foreign investment, Thailand should give serious consideration to exporting Thai capital. He added that the best places to start are with its neighbouring countries.

"The government promises full backing for private sector investments in Indochinese states," he said.

But Chatchai said trade and economic cooperation with Kampuchea will not develop to its fullest potential until a political settlement to the Kampuchean war is reached.

He said Hun Sen, premier of the People's Republic of Kampuchea (PRK), offered to sell Khmer timber to the Thai government during their meetings last week. "I told him to hold on until the Jakarta Kampuchean peace talk, or JIM II [second Jakarta informal meeting], the withdrawal of Vietnamese troops, a cease-fire and the formation of the provisional government in Kampuchea have been accomplished," he said.

Chatchai noted that after he announced his policy of turning Indochinese battlefields into markets, the private sector's interest in these countries has soared.

Thai entrepreneurs are exploring the possibility of establishing department stores and purchasing coal and iron ore from Laos, he said.

PM's [Prime Minister's] Office Minister Kon Thappha-rangsi is studying the possibility of promoting the establishment of a steel industry in Thailand, he said.

In Vietnam, Chatchai added, Thai businessmen have shown interest in outlaying investments in the hotel business, apart from clinching deals on joint fishing venture and setting up canned fish factories.

In his speech, the prime minister urged the Thai entrepreneurs to avoid "unilateral exploitation" of the abundant resources in the Indochinese neighbours and instead to seek to strike "two-way street" deals which serve the interests of all partners.

Chatchai told the club members to try to transfer technological know-how to the Indochinese countries and seek as many joint ventures as possible with them.

"Thai businessmen should not look at the Indochinese neighbours as our potential competitors in the world market. On the contrary, I would like you all to take the approach that technology transfers and joint investments will boost their purchasing power, and eventually promote the expansion of our markets in Indochina," he said.

Chatchai asked that Thai businessmen and entrepreneurs not try to obtain minor and immediate gains while forsaking long-term benefits.

Defending his policy of turning the Indochinese battlefields into markets for Thailand, Chatchai said his strategy would bring long-term benefits for Thailand. He noted on the following:

—Close economic relations between Indochina and Thailand will lead to mutual benefits. Such mutual interests will serve as the foundation for a future stable relationship in this area of the world;

—Economic cooperation will enhance the standard of living of neighbouring countries. When their peoples are better off, they will not want to return to their hard lives of the past and fighting for nothing;

—Economic relations with its neighbours will help sustain Thailand's economic growth because those countries are replete with natural resources and raw materials which are needed by Thailand. They include timber, coal, precious stones and marine life. He added that they are Thailand's "potential investment markets".

He said his policy of turning the Indochinese battlefields into markets had come under widespread criticism and predicted that such actions would not cease.

But the prime minister stressed that the policy was realistic and was the best option available in pursuing Thailand's long-term interests.

The reality of the situation, Chatchai said, is that Vietnamese and Laotian leaders want economic development and are fully prepared to join hands with others, including Thailand, to achieve their goals. The enactment of investment codes in the two countries prove such intentions, he said.

Leaders of the warring Khmer factions are seeking avenues to achieve peace so that Kampucheans could live peacefully and improve their economy through cooperation with foreign countries, he said.

On his talks with Hun Sen, Chatchai said that when people talk about trade, investment, baht and stang, dollars and cents, they were speaking the same language.

Chatchai said international political changes had enabled Thailand to embark on "offensive, active, and innovative" diplomacy.

It is clear that superpowers want detente and leaders of all nations, no matter what their political, economic or ideological lines, were all preoccupied with promoting economic growth which would serve as a guarantee to their long-term political stability, he said.

SRV Refugees Form 'Secret Organization'
BK2901074289 Bangkok THE NATION in English
29 Jan 89 p 2

[Text] Nakhon Phanom—Provincial Governor Mangkon Kongsuwan said yesterday that Vietnamese refugees in this northeastern province have formed a secret organization to govern themselves and that members receive political training in Laos and Vietnam.

Mangkon made the statement in his report to Interior Minister Praman Adireksan, who visited the province to inspect the erosion of the Mekong River's banks.

The governor reported that 879 Vietnamese families, consisting of 5,668 individuals, live in Muang, Na Kae, and Tha Uthen districts.

The Vietnamese refugees are divided into three groups:

- Pro-Vietnam, about 500 people;
- Liberal Vietnamese, about 500 people; and
- Non-aligned Vietnamese, more than 4,000 people and predominantly teenagers.

Those in the third group tend to shy away from politics and concentrate on earning their living. They have also called for permission to become Thai nationals, the governor said.

Mangkon said the pro-Vietnam refugees receive instructions and directives from the Vietnamese government through Vietnam's Embassy in Bangkok and occasionally send its members for training in Laos or Vietnam. He added that provincial authorities are closely observing the organization's activities.

Vietnam

Report on UN Ambassador Visit to Washington
BK3001091689 Hanoi VNA in English 0740 GMT
30 Jan 89

[Text] Hanoi VNA January 30—Ambassador Trinh Xuan Lang, head of the Vietnam permanent mission to the United Nations, visited Washington from January 26-28 to attend a reception given by U.S. Representative Stephen Solarz on the occasion of his election as honorary president of the Sight Savers International (SSI).

He was invited to join the SSI's directorial board.

While there, Ambassador Trinh Xuan Lang exchanged views with a number of U.S. congressmen on matters of mutual concern. He also met with representatives of the National Security Council, the State Department, the Department of Defense and the National League of MIA Families.

At all these meetings, both hosts and guest expressed satisfaction at positive developments in regional issues, especially Vietnam and Kampuchea's statement to pull all Vietnamese troops out of Kampuchea by September this year, and regional dialogues around the Kampuchea issue. They also noted with satisfaction the positive change in the relations between the two countries, particularly Vietnam's efforts in solving the problem of Americans missing in the Vietnam war.

Ambassador Trinh Xuan Lang called at Georgetown University and some research centers, met with politicians, friends and other who are interested in the regional issues and the U.S.-Vietnamese ties.

Results of Hun Sen's Visit Reported
BK2901033589 Hanoi VNA in English 1500 GMT
28 Jan 89

[Text] Hanoi VNA January 28—Hun Sen, chairman of the Council of Ministers and foreign minister of the People's Republic of Kampuchea, returned to Phnom Penh today after a visit to the Kingdom of Thailand at the invitation of Thai Prime Minister Chatchai Chunhawan.

Speaking about the visit, Hun Sen noted that it was the breakthrough to the relations between Kampuchea and Thailand since the fall of the Pol Pot regime in 1979.

While in Thailand, from January 25-27, Hun Sen and his party, including Vice Premier and Defense Minister Tea Banh, had talks with Prime Minister Chatchai Chunhawan, Foreign Minister Sitthi Sawetsila, and Army Commander in Chief and acting Supreme Commander of the Thai Armed Forces General Chawalit Yongchaiyut.

Their discussions centered on issues concerning to the process of peace restoration in Kampuchea, the repatriation of the Kampuchean refugees in Thailand, trade and tourist cooperation between the two countries, and other fields.

Chairman Hun Sen invited the Thai prime minister to visit Kampuchea. The latter accepted the invitation in principle, and would send a fact-finding team to Kampuchea.

Hun Sen received representatives of the U.N. High Commissioner for Refugees, and the Economic and Social Commission for Asia and The Pacific (ESCAP). On his way home Hun Sen had a stop-over in Vientiane. He was welcomed at Wattai Airport by Phoun Sipaseut, vice-chairman of the Council of Ministers and minister of Foreign Affairs. Speaking at the airport, Hun Sen expressed profound thanks to Thai Prime Minister Chatchai Chunhawan for the welcome and good arrangement reserved for the Kampuchean delegation during its stay in Thailand. The Kampuchean leader reaffirmed that he was ready to meet General Chatchai Chunhawan again to find an early solution to the Kampuchean issue on a genuinely reasonable basis.

'Full Text' of Joint Statement Issued
BK3101035489 Hanoi VNA in English 1458 GMT
30 Jan 89

[Text] Hanoi VNA Jan.30—Following is the full text of the joint statement released here today on the just-ended state visit to India by Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam:

At the invitation of the prime minister of India, Shri Rajiv Gandhi, H.E. [His Excellency] Mr. Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Vietnam, paid a friendly state visit from 23rd to 29th January 1989 and took part in the celebration of 39th anniversary of India's Republic Day. The general secretary was accompanied by Madame [Nguyen Van Linh] and a high level delegation which included H.E. Mr. Nguyen Co Thach, vice chairman of the Council of Ministers, minister of foreign affairs, members of CPV Central Committee and minister. [titles as received]

H.E. Mr. Nguyen Van Linh and madame called on H.E. Shri R. Venkataraman, president of India, and Shrimati Venkataraman, and on H.E. Shri Shankar Dayal Sharma, vice president of India, and Shrimati Sharma. The general secretary had three rounds of talks with the prime minister of India. The talks were held in an atmosphere of warmth, friendship and mutual understanding.

The leaders reviewed the existing bilateral relations between India and Vietnam. They noted that political relations were excellent and the economic, scientific and technical cooperation between the two countries had been growing steadily. In this context, they expressed their deep satisfaction at the results of the third meeting of the Indo-Vietnamese joint commission held on the eve of the visit (January 21-23, 1989). They noted the agreements reached on the utilisation of the proposed Indian Government credit of Rs. 100 million to Vietnam. They also noted with satisfaction, the broad understanding reached regarding the rescheduling of previous government credits and commodity loans extended by India to Vietnam. The two sides welcomed the agreement reached regarding cooperation in the exploitation of oil in the Vietnamese offshore waters. They noted with satisfaction the recent progress made in the fields of animal husbandry and agriculture. The implementation of the agreement between the two countries for cooperation in the peaceful uses of nuclear energy was also a matter for satisfaction. The two leaders reviewed the discussions for promoting trade and joint ventures between India and Vietnam. Cooperation in science and technology has been making steady progress. The leaders expressed satisfaction over the conclusion of a new cultural exchange programme between the two countries. They expressed their satisfaction at the identification of new areas of cooperation including sericulture, cotton

cultivation, small-scale industries, civil aviation, maritime transport and telecommunications and the readiness of both sides to promote the trade between the two countries through the institution of an appropriate payments arrangement between them.

The Indian side agreed to extend a further government credit of Rs. [rupees] 100 million to Vietnam for the import of capital goods from India. The Vietnamese side expressed their appreciation for this facility. Discussions have been initiated to identify goods to be supplied from India under this credit.

In their discussions on international issues, the leaders welcomed the improvement in the general climate of international relations and the changes resulting from relaxation of tensions and the fact that confrontation is giving way to dialogue. They reiterated the need to sustain this trend and strengthen the thrust in favour of international cooperation and development which has been consistently advocated by the nonaligned movement. The prospect of nuclear disarmament has reawakened the hope that human and material resources could be directed towards global development instead of being wastefully squandered on arms race. The new international situation poses challenges while presenting opportunities for nonaligned countries in their struggle for a safer and more just world order.

During their talks and meetings, the Indian side appraised the Vietnamese side of recent developments that augur well for improvement of India's relations with her neighbours, including China. It was noted that good neighbourly and friendly relations between India and China would contribute positively to peace and stability in Asia and the world. The Vietnamese side informed the Indian side of the results of talks between vice-foreign ministers of Vietnam and China. The two sides also expressed the hope that relations between Vietnam and China would be normalised at an early date through peaceful and friendly consultations on the basis of the five principles of peaceful co-existence.

The two sides took note of recent developments in the regional situation in Indochina particularly with regard to the question of Kampuchea. The two sides welcomed the Jakarta informal meeting process, the initiative taken within the framework of the Nonaligned Movement, the dialogue in Paris and bilateral discussions between various countries on the Kampuchean question. They noted that the January 7, 1989 announcement regarding the complete withdrawal of Vietnamese forces from Kampuchea by September 1989 in the context of a negotiated political solution has lent impetus to the process of restoring peace and stability in the region. The two sides hold that for solving the problem of Kampuchea, it is essential that the question of troops withdrawal should be linked with the cessation of all foreign interference and assistance. Both sides firmly uphold the rights of the Kampuchean people to freely determine their own destiny and to live forever without the fear of

the return of the genocidal policies and practices of the Pol Pot regime. India and Vietnam urged the continuation of dialogue leading to a negotiated political settlement that ensures the sovereign, independent, non-aligned, and peaceful status of Kampuchea. The Vietnamese side highly appreciates the significant role and contribution of India to peace and stability in Southeast Asia in the past 40 years and to the process of searching for a political solution to the question of Kampuchea at present. They hold that India has a worthy role to play in resolving the Kampuchean problem and turning Southeast Asia into a zone of peace, stability and cooperation.

Recent developments in Afghanistan were reviewed by the two sides. They welcomed the Geneva accords and were of the view that if sincerely implemented, these accords can pave the way for peace and stability in the region. Agreeing that the preservation of sovereignty, territorial integrity, political independence and nonaligned character of Afghanistan was essential for a peaceful solution of the Afghan problem, the two sides expressed the view that the Afghan people should be permitted to decide their own political destiny independently and without outside interference and intervention.

The two sides welcomed the constructive and realistic declaration of the Palestinian National Council in Algiers and subsequent developments which have created a positive climate for the resumption of the Middle East peace process. They emphasised that without a just and comprehensive settlement of the Palestinian question based on the restoration of the inalienable rights of the Palestinian people, including the right to self-determination and an independent state in their homeland, there can be no durable peace in the region. They reiterated their call for the early convening of the U.N.-sponsored international conference on the Middle East with the participation of all concerned parties. They pledged support for all efforts to reach an early solution to this outstanding problem.

The two sides reviewed the situation in southern Africa. They noted with concern the continued resort to repressive policies by the South African authorities against the black majority and expressed their conviction that the application of comprehensive mandatory sanction is the only peaceful means available to bring about the dismantlement of the abhorrent system of apartheid.

The two sides noted with concern the continuing efforts of South Africa to destabilise the frontline states of Southern Africa and welcomed the important contribution the Africa Fund had made towards developing the capacity of these states to resist political, economic and other pressures being exerted on them by the South African regime. The two sides noted the valiant effort being made to resist colonial domination by the southern African liberation movements and endorsed the support being offered to these movements by the Africa Fund.

The two sides noted with satisfaction that agreement has been reached on the process for Namibian independence commencing on April 1, 1989. They underlined their conviction that arrangements to be made by the United Nations to implement Security Council Resolution 435 should make all necessary provisions for the conduct of free and fair elections to the constituent assembly which is to adopt the constitution of Namibia. They look forward to Namibia graduating from a long period of colonial domination to full membership in the community of independent nations.

The two sides hold that the visits of the Prime Minister Shri Rajiv Gandhi to Vietnam and the visit to India by H.E. Mr. Nguyen Van Linh, general secretary of the C.P.V. Central Committee, constitute new milestones in the relations between Vietnam and India. Good prospects of economic, scientific and technological cooperation is a logical development, meeting the interests and aspirations of the two peoples, reflecting the positive spirit of South-South cooperation.

H.E. Mr. Nguyen Van Linh is fully satisfied with the good outcome of the visit and expresses sincere thanks to Prime Minister Shri Rajiv Gandhi, the government and the people of India for the warm and sincere reception. H.E. Mr. General Secretary of the C.P.V. Central Committee has invited President and Shrimati Venkataraman, Vice President and Shrimati and the Prime Minister and Shrimati Sonia Gandhi to pay a friendly visit to Vietnam. The invitations have been accepted with thanks.

Nguyen Van Linh Receives French Minister
BK3001161389 Hanoi VNA in English 1522 GMT
30 Jan 89

[Text] Hanoi VNA Jan. 30—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, received in Ho Chi Minh City today Henri Nallet, French minister of agriculture and forestry, now on an official visit to Vietnam.

The Vietnamese party leader expressed his pleasure at the development of the friendly relations between Vietnam and France. He said he hoped that the French delegation's visit would further strengthen this fine relationship.

Minister Henri Nallet expressed the French Government's desire to develop its cooperation with Vietnam, particularly in the agro-forestry field.

Present at the reception was French Ambassador to Vietnam Louis Amigues.

SRV-China Friendship Association Meets
BK3001160689 Hanoi VNA in English 1520 GMT
30 Jan 89

[Text] Hanoi VNA Jan 30—The Executive Committee of the Vietnam-China Friendship Association met here today in an enlarged session to review its past activities and discuss orientation and tasks for 1989.

The session was presided over by the association first vice president, Pham Nhu Cuong.

On the occasion of the coming lunar new year festival the association held a get-together with the Chinese Embassy. Present at the function were Pham Nhu Cuong and other members of its executive committee and representatives of central and Hanoi offices, and mass organizations

The Chinese ambassador and Mrs Li Shichun and other members of the Chinese Embassy attended.

Thai Delegation Visit to PRK Noted
BK300112589 Hanoi International Service in Thai
1130 GMT 30 Jan 89

[Text] Piyanat Watcharaphon, head of the delegation of Thai MP's visiting the PRK, has said that the first visit by a Thai parliamentary delegation to Cambodia is important to Thailand and Cambodia. Addressing a reception given for his delegation in Phnom Penh last week, he said the Cambodian people have scored great achievements in the past 10 years and he hoped that relations and cooperation between his country and Cambodia will be further strengthened for the benefit of the people of both countries. He also welcomed Premier Hun Sen's recent visit to Thailand.

Indochinese Mekong Committee Meeting Reported
BK290108589 Hanoi VNA in English 0718 GMT
29 Jan 89

[Text] Hanoi VNA January 29—The 12th conference of the national mekong committees of Laos, Vietnam, and Kampuchea was opened in Vientiane on January 26.

It was attended by Somphavan It'havong and Dinh Gia Khanh, presidents of the national mekong committees of Laos and Vietnam, and Sok Khum, representative of the National Mekong Committee of the People's Republic of Kampuchea. A representative of the Secretariat of the International Mekong Committee attended the conference.

Ceremony Marks Opening of Palestinian Embassy
BK2901032989 Hanoi VNA in English 1455 GMT
28 Jan 89

[Text] Hanoi VNA January 28—A ceremony to open the embassy of the Palestinian state was held here today by the Palestinian Charge d'Affaires a.i. [ad interim] in Vietnam Sa'id Khalil al-Masri.

Present at the function were Dinh Nho Liem, member of Communist party of Vietnam Central Committee and acting foreign minister, Tran Tan, mayor of Hanoi, and members of the diplomatic corps.

The Palestinian charge d'affaires sincerely thanked the party, state and people of Vietnam for their strong support for and valuable assistance to the Palestinian people.

For his part, Acting Foreign Minister Dinh Nho Liem said the inauguration of the Palestinian Embassy in Hanoi would further enhance the militant solidarity, friendship, and cooperation between the peoples of Vietnam and Palestine in the common struggle for peace, national independence, democracy and social progress. He reaffirmed Vietnam's strong support for the just struggle of the Palestinian people.

GDR's Karl Marx School Delegation Pays Visit
BK3001094889 Hanoi VNA in English 0700 GMT
30 Jan 89

[Text] Hanoi VNA January 30—A delegation of the Karl Marx party higher school of the Socialist Unity Party of Germany led by Professor Dr. Kurt Hager, member of the party Central Committee, director of the school, has paid a 2-week visit to Vietnam.

While here the delegation paid homage to President Ho Chi Minh at his mausoleum and visited his home and office. It had working session with Nguyen Duc Binh, member of the Communist Party of Vietnam Central Committee, director of the Nguyen Ai Quoc Social Science Institute. The two sides exchanged views on the institute's work in research and teaching, and discussed their 1989-90 plan of cooperation.

The delegation also had working sessions with the Commission for Education and Training of the CPV Central Committee, the Hanoi party committee, and the Thai Binh provincial party committee.

The GDR guests were cordially received by Dao Duy Tung, Politburo member and secretary of the CPV Central Committee.

Do Muoi Visits Vung Tau-Con Dao, Phu Khanh
BK3001131389 Hanoi Domestic Service in Vietnamese
0500 GMT 27 Jan 89

[Text] Comrade Do Muoi, member of the CPV Central Committee Political Bureau and chairman of the Council of Ministers, recently had working sessions with the Vung Tau-Con Dao Special Zone and Phu Khanh Province.

In Vung Tau-Con Dao, Comrade Le Quang Thanh, secretary of the special zone party committee, briefed Chairman Do Muoi about the work done or still to be done last year in the locality and outlined the orientation and tasks of the special zone for 1989.

Cordially addressing key local cadres, Chairman Do Muoi welcomed the efforts and achievements of Vung Tau-Con Dao in the past year. He reminded them to consider marine economy, including port service, oil and gas exploration support activities, aquatic products

farming and processing, and tourism, as the main direction of the local economy. Regarding tourism, the special zone should concentrate on satisfactorily resolving current problems concerning communications, information, housing, and food catering services to attract more local and foreign visitors. It should pay due attention to developing tourist services at mainland resort centers. With regard to marine fishery, Chairman Do Muoi stressed the need to invest in shrimp breeding for export. The current policy of encouraging fishermen and making arrangements for them to develop fishery is correct, but the collectives and private individuals can only fish near the shore. For this reason, state-run fishing enterprises should be consolidated and more investments made to provide them with better facilities so as to make sustained open-sea fishing operations and on-board processing possible, thereby ensuring high economic efficiency.

In Phu Khanh, after hearing the local leaders report on the situation in the province, Chairman Do Muoi, with People's Committee Chairman Vo Hoa acting as his guide, toured a number of private economic establishments such as the Nha Trang Rope Making Enterprise and the PKP Electronics Enterprise. He also called at the Oceanographic Institute and some state-operated production establishments such as the Vietnamese-Czechoslovak Canvas Shoes Enterprise and the Nha Trang Spinning Factory. Next Chairman Do Muoi visited the suburban village of Phuoc Dong which is cooperating with the Australian firm Lobana in shrimp breeding and producing frozen shrimp. He then toured the Cham Tower, a shrine dedicated to the worship of the Cham Goddess Thien Y Ana.

At all these establishments, Chairman Do Muoi concentrated on finding out about the problems that have hindered the development of their production and business and their dynamic, creative experiences in local economic development. He made many suggestions and explained several problems regarding official policies and systems in accordance with the central government's viewpoint on renovation and on the need to switch to socialist business accounting. He pointed out that Phu Khanh has all the necessary conditions, including an oceanographic institute, for developing its marine economy. Therefore, the province must strive to do a really good job in farming, catching, and processing marine products. The chairman paid special attention to the living conditions of the local people, cadres, workers, and civil servants.

Chairman Do Muoi commended the personnel of the Nha Trang Spinning Factory for their effort in turning out 100,000 products, their contribution of nearly 3 billion dong to the state budget in 1988, and their in-depth investment in acquiring modern equipment worth \$640,000 which has helped it increase output and product quality. Thanks to these factors, the factory has been able to ensure a average monthly per capita income of 38,000-53,000 dong, despite the difficult situation it still has to face. The chairman urged the leaders of Phu

Khanh Province and the spinning factory to pay greater attention to expanding the cotton area to assist the textile industry throughout the country in gradually meeting domestic clothing requirements and demands for export.

On the occasion of the new year, Chairman Do Muoi wished the party organization, people, and all production and business establishments of the five economic sectors of Phu Khanh greater unity and redoubled effort to score many fine achievements in implementing the local socioeconomic plan and budget for 1987. He hoped that from now until the end of 1990 Phu Khanh will grow much more cotton so as, together with Thuan Hai Province, to increase the cotton area to 30,000 hectares. He wished all the production and business establishments of Phu Khanh's five economic sectors profitable operations to help gradually stabilize and improve the local people's living standards and to contribute more to the state budget.

Ho Chi Minh City Party Committee Meets

BK3001140089 Hanoi Domestic Service in Vietnamese
1100 GMT 28 Jan 89

[Text] The Executive Committee of the Ho Chi Minh City party organization held a conference from 20 to 25 January to review the implementation the sixth party congress resolution over the past 2 years, to study the Political Bureau conclusion on some immediate issues in ideological work, and to discuss the implementation of the city's socioeconomic plan for 1989.

The most prominent feature of the city's activities in the past 2 years is its persistent implementation of the policy of abolishing the mechanism of management based on bureaucratic centralism and state subsidies and applying step by step the system of business accounting in state-operated economic units. In ideological and managerial work as well as in exerting leadership, the party organizations at all echelons have shown a high level of unanimity with the party's renovation viewpoint and have achieved significant progress in carrying out democratization and practicing openness in all aspects of the city's social life. Internal unity has been ensured in the city's party committee and people's committee on the basis of the unification of various positions and policies, the preservation of the dynamic spirit, the refusal to give up in the face of difficulty, and the determination to surge forward along the line of renovation.

The most glaring shortcoming of the city over the past 2 years is that it has been slow in implementing a number of the central echelon's policies. Many correct policies of the city's party and people's committees have not been fully enforced; control and supervision have been lacking; new factors have not been quickly commended and deviations have not been promptly rectified. The city has been lax in exerting state control in some aspects of economic, cultural, social life and in public order and security, giving rise to many serious negative practices.

The Executive Committee of Ho Chi Minh City's party organization unanimously decided that in 1989 it will continue to renovate the management mechanism and the mode of production and business operations, definitely abolish bureaucratic centralism and state subsidies to release the productive force, and exploit all potentials of production establishments to strongly develop commodity production. The rate of production development in 1989 must be sharply increased over that of 1988 to attract large numbers of unemployed laborers, stabilize the living standards of salaried workers, especially members of the armed forces and pensioners. Concerning external economic relations, material bases must be built to develop tourism into a key industry. At the same time, the city will actively prepare the necessary conditions for foreigners to make investments.

Telecommunication Project Agreement Signed
BK2801122689 Hanoi VNA in English 0810 GMT
28 Jan 89

[Text] Hanoi VNA Jan 28—A project on strengthening the digital technology laboratory was signed here Thursday [26 January] between the Vietnam General Department of Posts and Communications, the United Nations Development Programme (UNDP), and the International Telecommunications Union (ITU).

Under the project known as VIE 86/047, the UNDP will fund the Vietnamese side with 688,000 US dollars to help in installing equipment and training personnel in telecommunications technology. The ITU will execute the project.

Dong Sy Nguyen Inspects Work at Power Plant
BK2701143189 Hanoi Domestic Service in Vietnamese
0500 GMT 26 Jan 89

[Text] On 23 January, Comrade Dong Sy Nguyen, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, inspected work in preparation for the operation of the last two groups of generators at the Tri An hydroelectric power plant. Based on the pace of work, the third generator group will be completed by the end of the first quarter and the fourth generator group will be put into operation during the third quarter of this year.

Taking advantage of the dry season, various construction units are trying to complete all engineering project items at an early date so that they can be turned over to the units responsible for machinery installation. To date, all flight-wheels of the third generator group have been installed. Machinery installation enterprise No 45 of the Ministry of Building is now working on the combined turbine-generator group while making preparations for completing the remaining parts of this project right after the lunar new year festival.

While working with the project steering committee and representatives of various work units, Comrade Dong Sy Nguyen said: All work in preparation for the operation of these two groups of generators must be carried out urgently. It is particularly important to see to it that production is uniformly reorganized right after the celebration of the lunar new year festival in order to put all four generator groups of the Tri An hydroelectric powerplant into operation before the flashflood season this year.

Great efforts have been exerted by cadres and workers to ensure that the first and second generator groups operate safely. As of 23 January, these two groups of generators had produced 720 million kilowatt-hours of electricity. In 1988 alone they generated a total of 33 million kilowatt-hours.

Necessary Efforts To Improve Militancy Noted
BK2101151589 Hanoi QUAN DOI NHAN DAN
in Vietnamese 22 Dec 88 pp 1, 4

[QUAN DOI NHAN DAN 22 December editorial:
"Quality: A Decisive Factor for Militancy"]

[Text] Educated and trained by our party and Uncle Ho and always upholding its determined-to-fight-and-to-win spirit and its determination to overcome difficulties and endure hardships, fought bravely and resourcefully, triumphed over all enemies, and fulfilled all assigned missions, thus worthy of being an Army by the people, from the people, and for the people.

Having experienced over 40 years of combat and growth, the revolutionary tradition of our armed forces has lent credit to a great lesson of experience that we should always attach importance to the need to build up our militancy with quality being a decisive factor. In any area where quality improvement is neglected and attention is only paid to external quality, our Armed Forces there would not be able to meet the requirements of the situation.

The cause of national construction and defense now calls for our Armed Forces to bring themselves up to the level required by their new tasks.

Improving the quality of the armed forces in all aspects and constantly increasing their militancy is a demand of strategic importance.

Faced with numerous revolutionary developments over the years, our Armed Forces have taken the initiative in surging forward, trying to have their quality undergone a gradual change for the better in all aspects. Quality changes in the armed forces have, however, not developed fast enough as required by their tasks.

The quality of the entire armed forces as well as of each unit must be cared for, built up, and consolidated in various aspects—political, military, technical, and logistical. While focusing on building the aspect of the Armed

Forces' political character to improve their revolutionary awareness, their fighting determination, and their sense of responsibility, it is also necessary to pay attention to improving their organizational skills, military training, equipment quality, and weapons and equipment maintenance, troop feeding, and health care for soldiers, etc.

This responsibility must first of all rest with unit leaders or unit commanders. It would not be sufficient to evaluate the quality of a unit if we only judge this unit through its tradition. Although tradition can be likened to a shining pearl, it will only become a priceless asset if it is accurately selected and is positively applied in reality—in the daily life of cadres and combatants. Today, not a few units are still passionately viewing their laurels as something precious and as an invincible strength. They mistakenly identify their tradition with their actual strength. Not a few leading cadres are still contending themselves with their experience on troop management and leadership. To maintain a high sense of responsibility and a revolutionary determination, we must be serious and look squarely at the truth, trying to correctly evaluate the actual quality of each unit so we can point out the strengths of this unit and ways to be adopted by it to overcome its weaknesses.

It is most important that in unit building—ranging from the giving of political indoctrination on unit tradition, to the carrying out of propaganda for emulation activities, the conduct of military drills, and the maintenance of logistic and technical supplies—we must attach importance to quality, regarding quality based efficiency as the main target. All training efforts for unit building must eventually attain the objective of making a unit strong enough to satisfactorily carry out its duties in the new situation. The problem to be overcome by many units at

present continues to be the tendency to show off, to work just for the sake of formality, and to pay less attention to quality.

Improving the quality of the armed forces must first of all be seen through the building of an integrated strength for them and for the all-people national defense. Organizing units scientifically and rationally and ensuring an appropriate ratio between the main force and the self-defense militia force and between regular troops and the reservists is also regarded as a factor for ensuring quality. A strong army must be built on the basis of a strong reserve force. The self-defense militia force is developing widely. Although large in number, it does not have an appropriate strength. This is because its organization, training, and activities have not yet been properly carried out and put in the right track. It is necessary to overcome the practice of formalism and to consolidate and reorganize this powerful force in order to ensure that during peacetime it can satisfactorily carry out its main function of maintaining public order and security and that during wartime it can truly become a local armed force capable of satisfactorily performing its combat duties to defend the localities concerned and serving as replenishments for the development of regular troops.

The responsibility for strengthening national defense, and enhancing the militancy of the armed forces rests first of all with party committees at various levels as well as with military leaders and commanders. This responsibility is, however, also regarded as a general duty of the entire party and people. The party and the state must join with the entire people in wholeheartedly caring for the army rear—caring for, feeding and providing sufficient material supply to troops, educating them and creating conditions for them to stand firmly against all difficult ordeals, to become increasingly steadfast, and to be always worthy of being members of a revolutionary absolutely loyal to the country, faithful to the people, and capable of fulfilling all the missions assigned to them by the party and the people.

Australia

Prime Minister Hawke Departs on Asian Tour
*BK2901070489 Melbourne Overseas Service
in English 0500 GMT 29 Jan 89*

[Text] The prime minister leaves Australia today for a 2-week trip to Asia. He will visit South Korea where he will have talks with President No Tae-u and then travel to Thailand. Mr Hawke will also meet the new president of Pakistan [title as heard], Ms Benazir Bhutto, in Islamabad before heading to India, where he will have talks with Prime Minister Mr Gandhi.

New Caledonia

French Minister Calls for Equal Justice
*BK2801053089 Hong Kong AFP in English 2014 GMT
27 Jan 89*

[Text] Noumea, Jan 27 (AFP)—The French justice minister said here Friday that he wanted peaceful, impartial and equitable justice for all residents of this troubled French South Pacific territory.

"Justice cannot really be justice unless it is dealt out in a climate of confidence, free of problems," Pierre Arpaillange told a press conference here.

Mr Arpaillange said his three-day visit here aimed to determine the legal application of measures set out in last year's Matignon accords.

The accords provide for a referendum here in 1998 to choose between independence and a new statute dividing the territory into three autonomous regions.

Violent incidents still occur in parts of New Caledonia, pitting Melanesian separatists led by the Kanak Socialist National Liberation Front (FLNKS) against European settlers and those who oppose independence for the territory.

"I am not here to denounce any particular incidents or events," Mr Arpaillange said, adding that French magistrates agreed that "many things still needed to be done" in New Caledonia.

The justice minister described as "difficult" continued tension on the island of Ouvea eight months after a bloody hostage-taking incident which left 19 Melanesian separatists and two French soldiers dead.

Mr Arpaillange introduced a bill in December "to reinforce the presence of the legal institution" in the territory which he said is faced with an "inaccessible and impersonal" system of justice.

The minister is to leave Noumea Friday for Tahiti.

Vanuatu

Fred Timakata Sworn In as New President
*BK3001074589 Melbourne Overseas Service
in English 0500 GMT 30 Jan 89*

[Text] The former health minister of Vanuatu, Mr Fred Timakata, has been sworn in as the country's new president after a landslide win in the presidential electoral college ballot.

Mr Timakata polled 41 of 42 votes cast. A former chief minister, Mr George Kalsakau, polled the other vote. A third candidate, a Port Vila businessman, Mr Bill Kalsarapa, failed to poll any votes.

Radio Australia's Pacific correspondent says the outcome had been regarded as a foregone conclusion as Mr Timakata was the only candidate with the backing of the ruling Vanuaaku Pati. Mr Timakata replaces the former president Sokomanu who was removed from the post last month, and is now in jail on charges of inciting mutiny and sedition. The charges arose from Mr Sokomanu's attempt to replace the elected government of Father Walter Lini with an interim government.

In his first public address as president, Mr Timakata promised to remain nonpolitical in the conduct of his duties. He appealed for unity, adding that he saw the post of head of state as a symbol of national unity. Mr Timakata resigned from his post of health minister 2 weeks ago to contest the election. He has also held the post of the deputy prime minister and parliamentary speaker.

END OF

FICHE

DATE FILMED

2 Feb 1989

